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ABSTRACT

This report presents findings of an 18-month study to find out how state political and education leaders gauge the performance of citizen boards of trustees and to assess the overall condition of academic governance. The study included interviews with more than 250 state officials and education leaders, site visits to seven states, and an independent telephone survey of political leaders in 18 states. Major findings are reported under the rubric of five themes: (1) preparing for the future; (2) serving in the public interest; (3) navigating a new political environment; (4) balancing board responsiveness with policy independence; and (5) removing obstacles to effective public trusteeship. The report's findings lead to recommendations for information, collaboration, and reform. These recommendations urge a collaborative effort between national organizations representing state political leaders and higher education institutions that would address governance issues, strengthen the performance of public higher education boards, and forge more effective relationships between state institutions and state governments. Appendices provide information about the study's methodology and site visits, an analysis of the opinion survey of state policymakers, and a list of the individuals interviewed. (DB)

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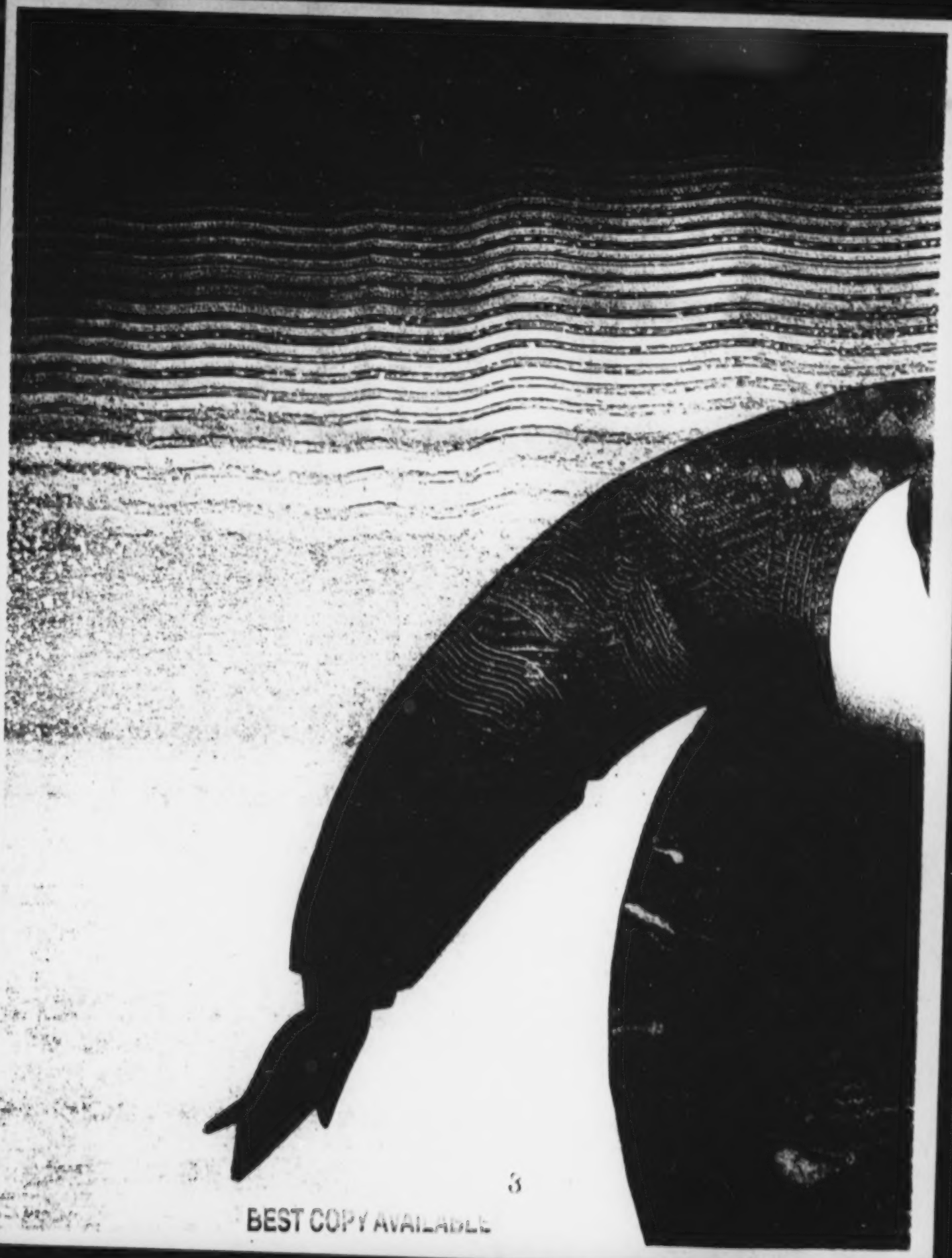

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A REPORT OF THE ASSOCIATION OF GOVERNING BOARDS OF UNIVERSITIES AND COLLEGES

Bridging the Gap

BETWEEN STATE GOVERNMENT AND PUBLIC HIGHER EDUCATION

Association of Governing Boards
of Universities and Colleges

A nine-page summary of the themes and findings in this report appears in a companion publication. For additional copies of either document, call AGB Publications at 1-800/356-6317 or visit www.agb.org.

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Foreword

Can the governance and trusteeship of public higher education, as it currently is practiced nationwide, effectively meet society's expectations? This question should concern governors, legislators, and the trustees and chief executives of all public universities and university systems. Because this report forthrightly addresses this matter, we commend it to the membership of our respective organizations.

Research for this study included personal interviews with more than 250 state lawmakers, trustees, and education leaders in seven states; numerous focus groups; and independently conducted telephone interviews of state legislators and governors' policy advisers in another 18 states. Conducted by the Association of Governing Boards of Universities and Colleges, the study sought to determine whether the institution and practice of academic trusteeship continues to meet with the general approval of state lawmakers and university trustees and chief executives.

Its conclusion is a mixed report card. Notwithstanding the general acceptance of the importance, overall performance, and utility of citizen boards, the expectations and perceived performance of state political leaders vary from those of university executives and board members. Indeed, there are similar gaps between the perceptions of citizen trustees and their presidents and chancellors on these same matters. Something seems to be missing.

This report concludes that if citizen boards of tax-supported colleges are to anticipate and respond to internal and external demands and new expectations and avoid becoming anachronistic or dysfunctional, a series of significant reforms is necessary. (The precise nature of these reforms will vary, of course, from one state to another.) The report calls for a national and state-by-state dialogue of legislators and governors and their policy advisers, academic presidents and chancellors, and trustees and regents.

The future of public higher education and its capacity to strengthen strategic state priorities—such as fostering economic development and reforming elementary and secondary education—depends on effective governance through citizen trusteeship. But

what do you think? Is this an important place to begin a series of conversations to improve understanding about citizen trusteeship, strengthen the relationship of public higher education to state government, and to shape appropriate reforms, as this report recommends?

Please let us hear from you.

Stanley O. Ikenberry
President
American Council on Education

Richard T. Ingram
President
Association of Governing Boards of Universities and Colleges

Frank Newman
President
Education Commission of the States

William T. Pound
Executive Director
National Conference of State Legislatures

Introduction

By Stanley O. Ikenberry

America's public and private higher education institutions are more important than ever to the nation's economic future, cultural development, and quality of life. In public colleges and universities, however, warning signs have begun to appear. At a time when the budgets of state governments and institutions are under great stress, demands for better academic performance and responsiveness to state needs are increasing. This is occurring, moreover, amid great philosophical, ideological, and technological shifts.

The powerful demands on public higher education are understandable. Its institutions enroll 80 percent of the nation's college and university students. A vast array of basic and applied research, graduate and professional education, and public service occurs on these campuses. Our citizens have substantial expectations for these institutions, as do governors, legislators, business leaders, students, parents, alumni, faculties, and others. Yet the higher education enterprise is complex and fundamentally different from most other functions of state government.

In this environment, the performance of public university governing boards is critically important, for they operate at the intersection of institutional aspirations and state needs. As states and public universities strive to develop new policies and relationships, effective and independent citizen oversight and governance of public universities is key to success. Well-functioning governing boards can attract and retain capable presidential leadership and connect the essence of the university to the needs of the society. If governance fails, it can mean missed opportunities and a loss of public confidence.

How well are public higher education boards functioning? Evidence from many states suggests a growing concern about their performance. Many state and institutional leaders question the capacity of these boards to meet the expanding expectations of a changing society. Their concerns center around structural problems, political issues, and in some cases, the limitations of individual board members.

Much of the difficulty is rooted in the increasingly politicized arena in which

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public institutions and boards function—an environment in which the political process itself and attention from the press often contribute to board divisiveness. Governors, legislators, and the public are questioning the leadership of presidents, chancellors, and commissioners and the effectiveness of public university boards at precisely the moment when the nation needs stability, clarity of purpose, innovation, and high-quality education.

The strengths of public university governing boards can be no greater than the strengths of their individual members and the selection processes that bring them to boardrooms. Board performance is measured by a range of factors. Among them: the size of a board, the experience of its members, the energy and skill of the board chair, the ability of the president or chancellor to encourage and support a strong and effective board, and the range of members' talent, perspective, motivation, and commitment.

A weak or divided board is ill-suited to confront the many serious questions the public is raising about increased costs, program cutbacks, and educational accountability. When resources were plentiful and public support was strong, governing board leadership seemed to be adequate—or at least less consequential. But to position itself well for the 21st century, public higher education trusteeship must attract citizens of great commitment and quality, working within structures devoid of partisan politics and with clear expectations for high levels of performance and accountability.

Sound, responsive, and efficient governance is an essential link between society and higher education. In its absence, we risk jeopardizing academic quality, public confidence, and America's competitive advantage in the world.

This project to strengthen the governance of public universities dovetails with the work of the national Commission on the Academic Presidency, which expressed concerns about the role and effectiveness of public university governing boards and issued recommendations to public officials in its September 1996 report. The commission's report has provided an impetus to probe more deeply into such issues as trustee-selection reforms, length of time board members serve, size of public boards, and link-

ing state strategic objectives to boards and the work of universities.

This report can be a blueprint for reform. It can help governors, legislators, boards, and university presidents, chancellors, and commissioners fulfill their responsibilities for effective college and university governance. As chair of this study's advisory committee, I would like to thank my colleagues for contributing many valuable ideas and for participating in state site visits and focus groups. They are:

Hunter Andrews, former Virginia state senator

James B. Appleberry, president of the American Association of State Colleges and Universities

John Barth, director of the Education Policy Studies Division, National Governors' Association

Julie Bell, education program director of the National Conference of State Legislatures

Hon. James Edgar, governor of Illinois

Ed M. Elliott, president of Central Missouri State University

C. Peter Magrath, president of the National Association of State Universities and Land Grant Colleges

Mark Musick, president of the Southern Regional Education Board

Frank Newman, president of the Education Commission of the States

D. Bruce Johnstone, professor of higher education, State University of New York at Buffalo

Richard T. Ingram, president of the Association of Governing Boards of Universities and Colleges

The primary authors of the report are Richard Novak, director of public sector programs at AGB; David Leslie, professor of education at the College of William and Mary in Virginia; and Edward Hines, professor of higher education at Illinois State University. They comprised the research team along with Holly Madsen, at the time AGB's director of special projects. Additional material was provided by Tom Ingram and Bruce Johnstone of the advisory committee. The survey of state legislators and governors' education policy advisers that appears in Appendix B was conducted by Educational Systems Research of Littleton, Colo., under the direction of Sandra Ruppert.

CHAPTER ONE

Preparing for the Future

The present system of lay governance was established when the missions, range of operations, funding, and staffing of colleges and universities were far simpler than they are today. The scope of higher education has expanded in ways unimaginable when most current board structures were established. Economic, social, educational, technological, and public-policy changes are occurring simultaneously and accelerating so rapidly that governing boards inevitably are behind the curve. Whether boards as now constituted are positioned to function in this environment is an open question.

While most boards provide stability and continuity and defend their institution's values and identities, the traditional structure of boards may impede the ability of institutions to adapt and change. An oft-cited criticism of boards is that they tend to make decisions that are uncritically even-handed or overly cautious, level out differences, and impede creativity. This conservatism probably accounts for the perception that university systems lag the public's needs and elected leaders' expectations for responsiveness. On the other hand, many boards are newly "activist." They are initiating change and prodding institutions to act—sometimes too quickly and too impulsively—without necessarily examining the consequences. Somewhere between these extremes of overly cautious conservatism and impulsive activism lies a balanced inclination to reflect carefully and act responsively when the times demand it.

THE UNIVERSITY'S ROLE IN SOCIETY

The potential for fundamental clashes of ideas about the university's future is great and mirrors the historical tensions among the several purposes of higher education over

the centuries. Unresolved, these tensions have led to misunderstandings, competition among institutions, ambiguous policy, and public uncertainty about the aspirations of higher education and why it deserves support.

The original purposes of higher education were animated by elitism. Young white men were trained for leadership in the church, in government, and in education. "College" was largely an exercise in shaping these young men for high social station, and by all accounts it was a stifling and unpleasant experience. Out of that tradition grew a sense of higher education's obligation to select, sort, and polish a cadre of highly able, intellectually and morally prepared, and thoroughly tested leaders. To many, this continues to be a legitimate role for colleges and universities, as students are "selected" for admission, "screened" in and out of class for merit, and honored for achievements of various kinds.

But colleges and universities also have become a vehicle for the advancement of opportunity in a democratic society. Beginning with the Morrill Act of 1862—which established the land-grant colleges—higher education offered a way for young people to prove themselves. With the radical expansion of the community and junior colleges and the establishment of financial-aid, affirmative-action, and other opportunity-oriented programs, government at all levels has made mass higher education a pillar of American democracy in the 20th century.

Today, complicated by the addition of research and economic development as major functions of higher education, "excellence" and "opportunity" have become competing lenses through which different constituencies view higher education and its development. Legislators are upset, for example, when they hear constituents complain that students cannot enroll in classes they need to graduate on time. Rising costs and increasing hardship for low-income students is another common theme among those interested in providing opportunity. But just as vigorous are the concerns of those who see the addition of multicultural studies, the use of race-based scholarships, the proliferation of "vocational" programs, and the expansion of remediation as inappropriate diversions of scarce resources from the "real" purposes of higher education.

What *should* be the purpose of higher education? Change seems inevitable—even radical change. As one legislator suggested: "I think the traditional four-year campus experience 50 years from now may be gone. You're going to be talking about a predominantly nontraditional student body, with a lot more variety in courses of study.

While most boards provide stability and continuity and defend their institution's values and identities, the traditional structure of boards may impede the ability of institutions to adapt and change.

I think universities are going to be mentoring sites and resource sites, perhaps, more than they are traditional classrooms. People are going to be involved in two, three, and four careers in their lifetimes and are going to be reeducating themselves. Universities are going to have a big role in that."

Board members bring their own experiences, values, and perspectives in interpreting the colleges and universities whose futures they hold in trust. But they may not fully understand the extent to which others see the future differently. Sharing and comprehending these differing perspectives may enable boards to address some of the recurring conflicts and themes that appear on board agendas. It also may help board members recognize that some institutions embrace multiple missions that boards inevitably must balance, while other institutions strive for limited missions that are distinct from other institutions.

Fundamentally differing views of higher education sow ambiguity among policy makers about how the public funds its colleges and universities.

The issues boards face demand attention, engagement, wisdom, patience, and good faith to progress with the long view in mind. Some of these issues are enumerated below to set the stage for further exploration of how boards are coping.

THE STATE'S CLAIM TO GOVERN HIGHER EDUCATION

State support for higher education has fallen by nearly all measures. Although state support is still the major source of support for most public institutions, several major universities now receive less than 25 percent of their total operating budgets from state-appropriated funds. Consequently, it now is legitimate to ask whether higher education is truly a "public" enterprise or whether it has evolved into a quasi-private status, similar to Amtrak, the Postal Service, and Comsat. The trend is too stark to escape notice, and the questions it raises are too serious to avoid. On one hand, states want to maintain considerable control over their public colleges and universities. On the other, they withdraw funding and allow institutions to impose tuition and fees to fill the gap.

At some point, colleges and universities become more or less "free agents" in the marketplace. They depend on the public's decision to purchase services directly and privately rather than on state subsidies in the interest of equal public access. To some, this suggests an opportunity for reform: Should boards, for example, select their own members in some appropriate portion, much as private college boards are self-perpetuating? Could a board that is half "private" and half "public" function effectively and as a truer reflection of its relationship to the state, perhaps reconstituted as a public corporation?

Gareth Morgan's intriguing book, *Images of Organization* (Sage Publications, 1986), suggests people understand organizations by constructing images that help explain what is going on around them. Many board members and public-policy makers apparently use comparatively naive working images of higher education to visualize the way colleges and universities function. These images appear to be built largely around the cumulative exposure of these leaders to college life. They usually have attended an institution in their home state and are familiar with undergraduate life as it existed years or decades ago. They attend athletic and ceremonial events, especially board meetings, as privileged guests. They see university executives play carefully scripted roles during legislative hearings. They field constituent complaints and read or hear media reports—which may or may not convey accurate impressions.

Of interest and concern is the extent to which football and other major sports at flagship campuses occupy a central place in public leaders' images of college and university life. One board chair lamented that the football program at her university never would gain as much attention as the program at the flagship university and said this was a political disadvantage. More to the point, a key legislative staff member observed, "The present board neither makes tough decisions, nor sticks with those it has made. They are too busy attending football games and 'ribbon cutting' stuff." He clearly views this board as being exposed only to a narrow range of the institution's broad and complex activities—and perhaps as less than fully informed about the impact of its decisions on aspects of the institution with which its members are unfamiliar.

The long-term health and stability of colleges and universities requires funding at a dependable level.

What perspectives might broader exposure to the teaching, research, and service enterprises bring to board members, legislative leaders, and governors? Conversely, what might such exposure to external views of higher education do to the images faculty and students have of boards and governments? Some institutions attempt to bridge these gaps. Faculty conduct seminars for board members and prospective donors or make formal presentations to visiting delegations of legislators. Or they are invited to events at which board members and state leaders discuss policy issues.

TENSION OVER POLICY IMPERATIVES

As higher education reconciles its multiple missions and diverse programs into a coherent whole, each state has its own priorities and problems. A state may need to keep its tax burden under control, but it also may want the best affordable higher edu-

cation for its young people. But public leaders are deeply divided over how best to create a productive, civil, and secure society in which citizens enjoy great personal freedom and willingly share the burdens of responsible citizenship. How does higher education fit into this ambitious concept?

To say that a consensus exists is misleading. Higher education enjoys the respect of the public and elected officials. Board members themselves view their appointments as a privilege and an honor. But fundamentally differing views of higher education sow ambiguity among policy makers about how and to what ends the public funds its colleges and universities.

The states vary radically in the proportion of the cost of education they subsidize through state appropriations and pass on to students in the form of tuition. Likewise, higher education consumes varying shares of states' budgets and, therefore, legislators' attention. No greater underlying rationale for these differences exists than the mysteriously uninformative catch-all explanation: "It is tradition." In large part, state budgeting is a thoroughly incremental and often chaotic process, so efforts to understand it in terms of strategic planning with deliberate priorities often are unsatisfying. Higher education's "share" and the various formulas that intermittently drive higher education's appropriations may in truth be nothing more than the cumulative record of what key legislators chose to do in the heat of last-minute negotiations.

Nevertheless, certain trends have been reported consistently across the states. Funding for higher education gradually is being displaced by competing budget priorities. The trend is faster in some states, slower in others, but inexorable in all. Law enforcement, corrections, health care, welfare, environmental protection, and K-12 education have claimed increasing shares of the marginal increases in state budgets in recent years. Higher education, which can charge tuition to students who have a strong incentive to attend college as well as good access to financial aid to help them pay the costs, simply is a less compelling priority than many of these competing issues.

Supporters of colleges and universities are finding their argument that higher education represents a social investment—that those who benefit from its programs will lead more productive lives and consume fewer resources from "safety net" programs—is not being heeded in the urgent climate of state budget debates. Boards are aiming at a moving target—that is, the funding support they require is shifting from the state to the individual student. The long-term health and stability of colleges and

universities requires funding at a dependable level.

To ensure continued and reliable support, boards must find a voice that speaks compellingly amid the bazaar of the legislative appropriations process. While other interests have learned to speak with clarity and force, boards have yet to do so. Perhaps, as one interviewee suggested, the voice should take a business perspective: "Board members should understand funding mechanisms, be concerned with and interested in efficiency and accountability, and know how to achieve them. They should be indoctrinated into performance-based funding, because that is how this state's money will be allocated in the future. They should understand how to make policy and set strategies for the system. They should have a management perspective and the persistence to enforce policies they approve." The message is that higher education can present its case more persuasively if it can show results, rather than rely on vaporous images of reputation, honorific attainments, "quality," and so forth.

As complex and fast paced as decisions about state funding have become, it often is unavoidable that they outstrip the capacity of boards to be involved in any meaningful way.

ECONOMIC UNCERTAINTY

Notwithstanding relatively healthy economic conditions in the states visited for this report, each state faces uncertainty about the future funding of higher education at dependable levels. This limits the ability of boards to plan strategically. Public colleges and universities have come through the 1990s weary of the short-term oscillations in state funding. In some states, this has caused real damage—damage that was unforeseeable.

Seeming capriciousness in funding sometimes has left boards on the sidelines as state leaders and system or campus executives have had to strike agreements and move ahead in an uncertain budget climate. Boards may have been kept fully informed—but only after the agreements were struck. Although boards carefully may have analyzed and ratified budget requests prior to the legislative session, they may not have had very much to say about the final appropriations levels or priorities. This has put boards in the awkward position of endorsing unrealistic budget requests as their only official action affecting the funding of their institution or system. This damages the board's ultimate authority for the financial well-being of the institution or system it ostensibly controls.

Nevertheless, as complex and fast paced as decisions about state funding have become, it often is unavoidable that they outstrip the capacity of boards to be involved in any meaningful way.

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TECHNOLOGICAL CHANGE

In the same way, information technology is having a profound effect on how institutions educate, compete, and make decisions. As a perceptive university president suggested, the pace of changes affected by technology may be so fast that traditional governing bodies risk falling well behind in their efforts to understand, analyze, and accommodate policies to new realities.

Most obviously, technology will change the way teaching and learning occur. A wide range of information already is available and is expanding at an explosive rate, as are tools to find, analyze, and use that information. Teaching methods may rely much less on traditional lecture formats to transmit information, and students may become much more active and self-directed in their work. Traditional institutional boundaries soon may become obsolete; in fact, this process already has begun. For example, professors at one campus routinely teach courses via the Internet to students from several different campuses. In the future, several professors from different universities may teach the same course as part of a team. It is not unreasonable to expect such an arrangement to cross state and national boundaries, rendering the campus-based, classroom-bound process of instruction less common.

At a minimum, most board members have a great deal of catching up to do to understand new realities that are unfolding far in advance of the status quo.

Legislators and others also suggested that universities, public schools, and other institutions may collaborate in the teaching and learning process, erasing boundaries between various levels of learning and using scarce resources more efficiently. Speculation aside, it is clear that the technology to do this already exists and that faculty and students have the knowledge and skills to create their own innovative ways of teaching and learning, regardless of the traditional constraints of university or state-level program approval, evaluation, and accreditation.

Such rapid, free-wheeling change may introduce entrepreneurial forces into higher education. This raises basic questions about funding, organizational structures, authority, and quality. Who, for example, is entitled to tuition income when a professor in Florida teaches 20 percent of a course offered to students in Texas, Illinois, and Maine via the Internet? If he or she simply decides with colleagues at these other institutions to run a cooperative course, what is to regulate the spread of such arrangements to ever wider circles of institutions? What has been a highly regulated public agency quickly and uncontrollably may become a free-market enterprise.

In such a world, noted one president, technology and its future applications

drastically change the time scale for decisions and policy making. The magnitude and pace of change are so great that boards simply cannot react quickly enough and are being bypassed. At a minimum, most board members have a great deal of catching up to do to understand new realities that are unfolding far in advance of the status quo.

COMPETITION AND COOPERATION IN THE MARKETPLACE

The place of boards and the regulatory authority of government are curiously uncertain as technology and other factors drive colleges and universities more directly into the marketplace. Thus far, of course, the most important market force on public higher education is its dependence on tuition-paying students.

In the states visited, new demographic patterns are reshaping demand for programs. In some states, migration and growth patterns are outpacing the capacity of the university system—at least in terms of meeting new local demands. In Florida, for example, the two major research universities are located in the sparsely populated northern part of the state, while the most explosive population growth is in the south. In Mississippi, the population growth is fastest along the Gulf Coast, while the major universities are located far to the north. And in Illinois, Chicago's growing northern and western suburbs have outstripped the capacity of public universities to meet new demands for graduate and professional programs. Public boards must deal with these inexorable and powerful changes as they work their way through thickets of tradition, political realities, funding inadequacies, and the inertial forces of entrenched budgets and capital commitments. Meantime, new players quickly are sensing opportunities in the marketplace. Private institutions, corporations, and proprietary schools can move nimbly into the gap, unencumbered by the Byzantine regulatory apparatus of multiple boards working in a command economy of public budgets.

One interviewee, analyzing this situation, said, "It seems more likely that the market will simply blow by the system. Quality will win out over politics. It is possible that traditional institutions and their territories and missions will change radically as a result. Institutions that meet the market's needs with the best products are going to be in a strong position not only inside their states, but also well beyond their borders. The petty battles within a state will pale when students can take courses from universities in Michigan or Florida or from a private-sector provider such as Microsoft. Enlightened boards will think this out and find ways to capitalize."

Can boards that operate more or less traditionally exercise an appropriate degree of policy judgment and oversight under conditions in which market forces simply overrun their ability to cope? The question is not unique to higher education, but this dilemma—largely unforeseen and as yet only dimly understood—faces governments around the world. Information, money, and corporate initiatives have begun to move faster and through increasingly permeable national (and state) boundaries. The apparatus of government, whether democratic or not, may come to seem sclerotic, irrelevant, or impotent as increasingly powerful and rapidly moving market trends make moot any effort to regulate or shape their workings.

MEETING SOCIETY'S NEEDS WITH DIFFERENT KINDS OF INSTITUTIONS

In a resource-scarce environment, institutions either must accept limits on their roles in a larger system or find other ways to realize their ambitions. Public colleges and universities in the states visited all operate with a competitive spirit. The major research universities want to be better than their peers in other states. The regional comprehensive universities often aspire to become research universities. And smaller institutions such as community colleges sometimes compete fiercely to protect or expand their service areas. Some serve historically defined clientele—such as the historically black colleges and universities—and work diligently to protect that base. All are aware of the need to garner as much political support as possible to realize their ambitions.

Boards are intermittently effective in dealing with these imperatives to expand, grow, and compete. Some boards have acquiesced quietly and incrementally—giving free rein to ambitious institutions one step at a time—without exercising high-level scrutiny of the ultimate implications. They accede to a law school here, a doctoral program there, an expanded off-campus site now and then. The long-term fiscal implications of many incremental decisions are, of course, substantial. But these changes may or may not represent efficient or responsible uses of public resources.

This particular intersection of institutional ambition, public demand, and financial reality has created a particularly messy traffic pattern for public higher education. Some institutions undeniably are overfunded, overbuilt, and underperforming by any rational measure of efficiency. Others are just as clearly underfunded, stretched to the limit, and are producing on such a thin margin that quality is threatened—if it exists

in any meaningful way at all. But the system as it now exists does not readily acknowledge these inequities and misalignments of resources and program commitments. Boards and presidents find the questions and issues too politically charged and too threatening to the established order.

On balance, most public universities in most states fulfill their missions. But the marginal resources available to alter and improve how they do so are insufficient to produce substantive changes. Boards can apply leverage as they see fit, yet leverage is not useful if it is applied in isolation, one institution at a time, one issue at a time. Here, then, is the question of coordination among the public institutions of the states. The system of coordination emerged during the 1950s and 1960s. It assumed continued growth, and it has fostered enormous expansion—probably beyond the wildest ideas of even the most vocal advocates of "access" during those decades. Whether sustainable growth has reached or exceeded a reasonable limit is the unthinkable question the boards of public systems must contemplate. Individual institutions in some states may be in an unsustainable position as their ambitions and funding exceed the capacity of the tax base and the population's need and interest. Rivalries among sectors—between community college and university systems, for example, or between private and public colleges—have tested boards' abilities to act in the broader public interest and have damaged the credibility of all of higher education in the minds of some legislators.

Individual institutions in some states may be in an unsustainable position as their ambitions and funding exceed the capacity of the tax base and the population's need and interest.

Boards that focus exclusively on single institutions and their own singular sense of mission or destiny may maintain unrealistic expectations about their institution in relation to others in the state. Communication among boards is sporadic, and information about other institutions most often is received in heavily mediated form—if not by rumor and hearsay. While the good faith of board members in dealing with this information is unexceptionable, boards often use such information in competitive, rather than cooperative, efforts to make the best use of resources and infrastructure. (If College A was planning a law school, College B may be likely to see if it can get one, too—or at least thwart College A's plans.) Surely it would be more constructive and helpful for boards of separate institutions and systems to voluntarily share information and plans, to move beyond institutional or system pride and ambition, and to work toward a more rational use of scarce resources to serve the state more efficiently and effectively. Doing so would help the credibility of higher education and might better

guide administrators in their decision-making processes. Greater communication among boards is critically important.

EQUITY VERSUS QUALITY

Boards in many cases ardently try to honor a spirit of "equity." The pace of change and the need for responsiveness now require boards to become concerned with quality. In an environment of limited resources and increased political interest, college and university officials must look more carefully at what they are doing and why and how they do it. It no longer is enough to be passably good at everything an institution traditionally has done. A more demanding public is likely to expect institutions to do new and different things and to keep changing as the world changes. It used to be enough for institutions to "do more with less," as enrollments increased and programs proliferated. Almost certainly, the future will demand that higher education do the right things with the right results at the right time for the right people—perhaps with less, but perhaps with more if the marketplace decides that it is receiving value. These demands will test the academic community's ability to replace its traditionally reactive governance process with a more forward-looking and decisive way of conducting business. It also will test the way programs and the processes of teaching and learning are organized and conducted.

Taking short courses off campus, teaching via satellite links and computers, supporting business and industry in their need for applied research and development, reaching out to new clienteles, and much more will be demanded. Some states may decide to replace centralized appropriations to established institutions with a contingent funding process that places money in a pool and awards it competitively to bidders from anywhere. Degrees might become less and less relevant in a marketplace that demands continuous updating of job skills and knowledge.

CONCLUSION

Whatever changes higher education faces are likely to come as big surprises—and soon. Existing boards work within the boundaries of tradition and embrace conventional images about colleges and universities. Consequently, they are unlikely to be able to respond in a timely way to the changes some of those interviewed for this

project foresee. Will the traditional higher education institution survive? If so, will its board be relevant in a world where change is rapid and turbulent? Is the nation going to demand a new kind of institution in place of the traditional university or college? It has happened before, and it soon may happen again. Are boards ready to lead in this environment?

Following are the major observations and conclusions from this chapter:

1. The decisions made by many boards tend to be uncritically even-handed, conservative, cautious, and uninspiring. Other boards display a newly "activist" approach aimed at changing their institutions, but sometimes they push too hard and too fast, without adequately weighing the consequences.
2. State legislatures and governing boards will need to establish relationships that allow for more flexibility, less regulation, and greater respect of board policy authority. Some states should consider alternative governance structures that reflect today's fiscal realities but still achieve state priorities.
3. The challenges to public higher education for the immediate and long-term future require governing board members to be more engaged in institutional policy making, maintain a broad vision, think and act strategically, and reward leaders who take risks. Academic chief executives must welcome stronger, more active boards.

The future will demand that higher education do the right things with the right results at the right time for the right people—perhaps with less, but perhaps with more if the marketplace decides that it is receiving value.

CHAPTER TWO

Serving the Public Interest

"Serving the public interest should be the prism by which you view all other aspects of governing board performance in this study," offered a senior university executive. The overriding responsibility of public governing boards to serve the public interest is indeed key to their ultimate success or failure.

Individuals who serve on public university governing boards must function in a highly ambiguous, almost paradoxical environment as they attempt to balance state and institutional needs. Boards are judged on their ability not only to translate, represent, and reconcile the often differing views of the state and the institution but also on their level of political and policy independence from the state and the institution—and from the general public for that matter. Boards can address the ambiguity and the paradox only when they take the longer view and exercise their authority to reach balanced judgments. They can serve neither state nor institutional needs exclusively, but they can serve both well. How?

Defining or characterizing the public interest is difficult. As the same senior executive observed, "Anyone attempting to examine what it means to represent the public interest is immediately confronted with some simple-sounding but extremely complicated questions: Who is the public? What are their interests?" There are many diverse external stakeholders: the business community, labor, the media, the governor, legislature, and the public at large. Collectively, they present a melange of public concerns and state interests. There are also many internal stakeholders: faculty, students, staff, and alumni; and in a university system, each campus has its own set. Collectively, they can be called institutional interests. In addition, boards are charged with upholding the public trust, which means they must nurture and protect a public asset

and ensure both its immediate as well as its long-term health and viability.

Some boards will choose to define the public interest for the state, region, or community but also continuously test that definition through public forums and conversations with legislators. Defining and serving the public interest will depend on who brings issues to the board for discussion and whom the board sees as its primary constituents. Traditionally the president, chancellor, and the board leadership (or the state coordinating agency in states that have them) bring issues to the board, but state lawmakers now increasingly demand a bigger say with boards in setting institutional priorities.

CONFLICTING EXPECTATIONS

When an individual is nominated and then sworn in as a trustee, he or she accepts an implied or assumed duty to serve the public interest—in large part, because a board member becomes an official officeholder of the state. Although board duties and responsibilities are spelled out to varying degrees in state laws and board bylaws, clearly articulated expectations about serving the public interest are rare.

Few governors articulate a clear agenda for higher education, let alone discuss expectations with potential board nominees. They may discuss such objectives as ensuring sound management, accountability, efficiency, productivity, and quality with new or potential board members, but most governors or their aides provide scant instruction regarding the broader public interest. Perhaps they admonish nominees to represent the entire state and not any one group or area—to "have more of state perspective," as one governor put it.

The only formal opportunity for legislators to express their views comes in confirmation hearings. Most legislators feel the same as this chair of a higher education committee: "There is no formal articulation of expectations for boards in our state from the legislature. From the public-interest perspective, the big shortcoming is that we have never, as policy makers, thoughtfully articulated what we expect. There needs to be more guidance as to what the public interest means." University executives may partially educate the board, but their own biases and perspectives often assume the public interest is an extension of institutional interests. At best, instruction on serving the public interest appears to be board wisdom passed down from one generation to the next. For boards, this lack of clarity can create conflicts between what the governor, legislature, and the president expect and what the job actually entails.

Institutional interests versus state interests. In general, presidents and chancellors perceive boards are becoming increasingly captive to immediate, popular, state agendas that focus on reducing taxes and downsizing government. The effects are reduced budgets and calls for greater accountability and productivity. These presidents and chancellors see change as inevitable and even desirable, but they say the paramount duty of the board is to protect the longer-term interests of the institution during periods of transition. They also say part of the board's duty is to adhere to a set of common values about public higher education, to uphold the social contract between higher education and the state's citizens.

Although viewpoints among presidents and chancellors are far from monolithic, these individuals generally expect boards to be effective advocates for institutional needs. "Our trustees are serving the public interest when they're advocating the strongest for their individual institutions," remarked a college association executive. Presidents and chancellors expect board members to help build necessary alliances outside the universities, primarily with the business community. "We need all the friends we can get. The board has done it with the business-higher education partnership," remarked a president. Presidents and chancellors also expect boards to be keepers of the public trust by being guardians of the physical and human assets of the institution or system, protecting staff and faculty from outside interference, "taking the heat off the chief executive," or by raising money from the state or through assistance in private giving.

Presidents want boards to be supportive and not regulatory. For boards that oversee a number of institutions, however, it is inevitable that campus presidents would view reconciling competing institutional interests as *regulation and control*. In states with multicampus systems composed of institutions with differing missions, campus executives of larger institutions tend to see the system board more as a surrogate for the state to carry out the more negative aspects of the state agenda—to be "an extension of the state's regulatory mechanism," as one campus president described his system board. Campus executives of smaller institutions tend to see the system board as an *advocate and protector* of their institution's interests in relation to the state and the larger universities. They are more willing to accept the regulatory functions of the board as a necessary component of the board's public-interest duties. Presidents from states with coordinating boards and agencies almost always define the public-interest role of the coordinating board as regulatory. This is in sharp contrast to the public-

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interest responsibilities of their own campus boards, which they see as advocacy not only for dollars but for faculty, staff, students, and the entire university community.

In contrast to presidents and chancellors, many state policy makers see boards as too closely aligned with institutional interests at the expense of state interests. They say boards often err on the side of excessive institutional advocacy when competing for scarce state resources. Others say boards are too willing to rubber-stamp university administration initiatives, either because boards are co-opted by administrators or because they are too timid to confront the faculty and unwilling to force cost-cutting and greater efficiencies. Many see boards consumed with protocol, minor campus issues, or petty conflicts and reluctant to raise tough questions or concerns the public wants addressed.

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Governors and legislators undoubtedly look for lines of accountability and evidence of the board's concern for efficiency, sound management, productivity, and academic quality. They, too, desire boards that are informed advocates and internal guardians. But insightful legislators and governors want something more as well, and that is for boards to see the big picture and bring views to the campuses that help align academic programs and priorities at the university with the broader strategic vision and needs of the state. In addition, they want board members who can understand and articulate to the people and the legislature the issues the campuses face.

To some legislators, this means board members must better understand the state's fiscal situation. To others it means ensuring that parents, students, and others less vocal are heard on educational needs. "Many people feel the academic community protects itself and its own interests. A regent must be able to understand the academic environment and serve as a tie between the community and the academic community," stated a legislator who chairs a higher education committee.

Just as presidents and chancellors or commissioners do not hold monolithic views regarding the role of governing boards, legislators and governors and their top staff hold varying opinions as well. Some are more experienced or have thought more about the issues than others. But the majority interviewed and surveyed for the project are more inclined to define the public interest in broader terms than trustees or university executives.

One president said he was surprised that his peers were so concerned that state policy makers and presidents or chancellors would have different expectations of governing boards. "Isn't this the way it has always been?" he asked. But in many states, the gap

between the expectations of state policy makers and presidents appears to be wider than ever, and this has created confusion about the public interest, who is to be served or represented, and who is to be listened to. As a result, the authority, prestige, and credibility of boards suffer. Although these divergent views do not prevail in all states and may vary widely within others, reconciling them will require better communication with boards and clearer mutual expectations of their responsibilities. Orientation, training, and education for board members will help (this will be discussed in a later chapter).

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The biggest erosion of board authority can occur when the legislature (or some of its members) believes it is the true protector of the public's interest in higher education because it perceives the governing board and the administration are unresponsive or have taken controversial actions provoking public dissatisfaction. "The legislature will hear the concerns of the public, and if these are not countered with effective information from the board or the administration, it will become the voice of the public," warned a state legislator.

Evolution in the roles of state governance and coordination in each state accounts for much of the difference in the foregoing perceptions. Depending on the eye of the beholder, single-campus governing boards (and local campus governing boards within university systems) often are perceived as close to and very supportive of the institutions they govern; multicampus system boards are seen as still supportive but somewhat distant; and statewide consolidated system boards are often seen as quite distant from institutions. These boards must struggle to be equitable to institutions and state needs, but they often are seen as too closely aligned to one or the other by various stakeholders, depending on the specific issue.

State coordinating boards are perceived to be aligned most closely to the state, in part because they do lack the many internal constituencies of campuses. These boards were created in the 1950s and 1960s with expectations that they would conduct statewide planning, mediate between institutions or systems, review and approve budgets and programs, and ensure that broader public (or statewide) interests were not lost among the many, narrower voices of institutional interest and advocacy. Again, these boards often are viewed as regulatory in nature. Some observers believe coordinating boards and agencies are closer to the state than ever before because more and more coordinating board chairs and executives are appointed by governors or executives often serving in governors' cabinets.

Corporate versus citizen boards. The gap in expectations for public governing boards can be characterized in another way. Stated simply, presidents and chancellors want governing boards to operate as *corporate boards*—that is, board members should see their primary responsibility as choosing the right individual for the job, supporting that person enthusiastically, and then holding that person accountable for achieving institutional goals and mission. Presidents and chancellors hope the board will have the courage necessary to support difficult executive decisions and take other actions at the president's request. In contrast, state policy makers want public governing boards to operate not only as corporate boards but also as *citizen boards*, broadly representative of the public. They expect members to listen to state and societal needs and ensure that the university or state system addresses those needs through a coherent board agenda, either in cooperation with other institutions or the state coordinating agency or on its own.

This is not to say that state policy makers desire boards that operate independently from the presidency or system executive. Many understand and respect the need for effective working relationships between the executive and the board, and they acknowledge executives must have the authority and flexibility to manage the university or system free from interference and micromanagement. But they see instances the board should have considered broader interests and diverse opinions in addition to those of the administration. One legislator remarked, "Many times a powerful president gets to the point where he thinks he makes all the decisions."

Just as they must balance public interest with institutional interest, effective boards operate simultaneously and alternatively as citizen and corporate boards. That is, they conduct their business in both ways but to differing extents, depending on the issues before them. For example, a citizen board may solicit direct public input on an issue such as college costs. When a board is functioning effectively as a citizen board, it listens to its various constituents and then discerns legitimate public interests or priorities.

One university system board visited as part of this study was making a conscious transition from operating as a citizen board (at times a dysfunctional one) to acting more as a corporate board. This board realized that its agenda for too long had been dictated by a multitude of conflicting interests, as individual board members tended to solicit public input on their own. As a system board with many institutions, soliciting many divergent interests only added complexity. To remedy the situation, the board

hired a strong chancellor and gave him the latitude and responsibility to be the prime spokesman for the university system, focus the board agenda, develop a better management system with the campus presidents, and be a partner with the board to guide the system through some difficult yet exciting challenges. The change is helping the board (as well as the system) function better.

Many presidents prefer trustees who are corporate executives. These individuals have experience with complex organizations with multimillion-dollar budgets, and they appreciate the "corporate" relationship between the board and the executive—delegating authority and demanding accountability. This is not to say that presidents are comfortable with a business approach to running higher education, wherein trustees would apply top-down, bottom-line business principles to higher education's nonprofit operations. But many successful presidents encourage boards to function as citizen boards when it is appropriate to do so—when it is necessary to represent the broader public interest or to go outside "normal" communication channels to obtain information. One veteran system chancellor commented, "More insightful and active boards are needed for the different leadership challenges we face. But will presidents support this idea? If so, it will be a major change from the past 20 years."

One president offered a typology of board members. "Their behavior depends on where they come from in terms of experience. There are corporate types who see themselves in a board-executive relationship; political types who see themselves in a check-and-balance relationship, with the president as executive and the board as legislature; and the 'victim' types who come with grievances against the university and want to punish it." These last two situations create significant problems and tensions between executives and boards, often resulting in the executive's resignation.

Public input. Public boards of all kinds have a fundamental obligation to ascertain a sense of the broader public interest beyond what is implicit in constitutional or statutory language, bylaws, and manuals of good practice. They must hear the concerns of the public and state policy makers regarding higher education. Occasionally, this entails asking difficult questions of the administration, holding public forums, and speaking with stakeholders outside the confines of the campus or system office.

The concerns of the public are numerous and varied. They comprise issues of public policy that call for solutions through what some have labeled a "public agenda for

higher education." Some concerns are *fundamental strategic-policy issues* that may be articulated most clearly by legislators and governors as part of the state's strategic agenda. Because higher education is an instrument of state policy, a building block of a state's infrastructure, and a central player in economic development, work-force preparation, and social and economic mobility, it is seen as essential to realizing that agenda.

Other public concerns—access, costs, accountability, quality, and productivity—hit closer to home for colleges and universities. These are *academic-policy issues* but also issues of public policy. When governing boards fail to address such issues, others are quick to offer solutions (as we discuss in Chapter 4).

The vast majority of board members are committed to serving the public's interest, although they often do so implicitly instead of actively or strategically seeking public input. But many board members wisely recognize the paradoxical expectations. "Boards are pulled in many directions," observed a former board chair. "Too often they don't know the expectations or what they should be. Typical expectations, such as 'support the president,' can collide with reality." The board chair of a single-campus institution stated, "The advocate versus overseer in all of its manifestations is the biggest conflict we face." Many university system board members are able to set aside narrower interests for broader ones, but they may do so only to avoid the pitfalls of representing one campus or state geographic area over others. Others do so in an active effort to accommodate the public agenda.

Public boards have a fundamental obligation to ascertain a sense of the broader public interest beyond what is implicit in constitutional or statutory language, bylaws, and manuals of good practice.

Many presidents and chancellors see challenges and opportunities in the shifting demands and expectations for boards. University system executives, in particular, say governing boards must represent society's interests and have a broader, more enlightened, nonparochial view. A state commissioner offered, "A lack of advocacy for institutions is not the problem; there is plenty of that. What board members should have is training and orientation to their role as representatives of the public interest."

"How we define the public's interest is difficult now and different from asking for more money. It's time for some of us to stop fighting the [state policy maker's] agenda—we should use it to the advantage of our institutions," asserted one state executive. The agenda she was referring to is one of less government, less regulation, less state subsidy, and more competition. "This is a big era of change," observed one system chancellor, "and we have an opportunity before us if we have the courage and wisdom to use the many agendas—be they Republican, Democrat, governors', or legislators'—that are offered us."

COMMON VALUES AND THE PUBLIC GOOD

Within the broader responsibility to serve the public interest is the duty to uphold the public trust. Boards must attend to the internal workings of the campus, while ensuring adequate resources for now and the future, and listen to the concerns external to the campus from the public and lawmakers. But serving the public interest also requires a belief in the purposes of higher education and its centrality to society, referred to as the "public good" or the "common good." Many presidents, university system executives, board members, and legislators said they were disturbed by what they identify as a lack of knowledge, appreciation, or historical perspective on the part of board members regarding the link between public higher education and the common good. They say too few appear to understand that public higher education is an investment in a public benefit for all, rather than a subsidy for private benefits to individuals who receive college degrees. Many said they saw such a shortcoming among newer and younger legislators as well.

Part of serving the public interest is to preserve and protect the common values, or "enduring values," as one chancellor put it, that are at the core of public higher education. These common values are the expansion of college access with the commitment of state and federal laws and dollars, the preparation of educated citizens versed in the values of American democracy, and the distinction of public colleges from private ones in terms of their diverse missions and multiple public purposes—egalitarianism, economic development, and service to the state or community. Additionally, these common values comprise a liberal arts education, transmitting knowledge to younger generations, research as the pursuit of knowledge for its own value, and academic freedom to allow all of these to continue.

As public higher education struggles to adapt to diminished public financial support, governing boards have a responsibility to assertively communicate the broader value of higher education to all levels of society—across all age groups, to the rich or poor, to the educated and uneducated—while preserving it for future generations. In some cases, this will mean setting aside narrow institutional interests for the common good of all of higher education. In others, it may mean reaffirming that society benefits more than the individual when it invests in public higher education. "Maintaining the social contract between society and higher education is critical," urged a state higher education executive.

One executive asked, "What are the fundamental values we adhere to in all of this downsizing and restructuring of institutions? Are there shared values? How do we keep the public's trust, even if we have to rethink our values?" In this latter question, he was referring to pending differential admission standards and tuition levels at his state universities, moves he saw as necessary for the institutions to enhance quality while maintaining traditional roles.

A legislator stated, "I don't want somebody serving [as a trustee] who is shy to ask about academic standards and academic quality, and how these things relate to and reinforce the mission of higher education. But I also think this person should not be responsive exclusively to market trends. He or she should be able to maintain some respect for the value and need for higher education no matter what is happening in the market place." A chancellor stated, "Do boards today really focus on the common good of public higher education? Do they value what we have in place, even though what's in place must change? There is a lack of sustained board agendas that carry the values forward or that transcend the terms of board chairs or turnovers in presidencies," he continued.

"Ideologues are making an effort to get on boards," said a president, "and we have suffered the single-issue trustee from the [political] right and left." A number of presidents said they believe too many board members are coming on the board to "clean things up" or fix things with no clear conception of what is supposedly wrong. Another president was distressed that his board—by law—has faculty, staff, and student members who feel their first duty is to represent the viewpoints of their constituents. "This corrupts the public trust," he said.

This concern for common values and the common good was expressed by a broad cross-section of political and institutional leaders, as well as by several board members. They identified this as a significant problem requiring the attention of state policy makers and education leaders alike.

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CONCLUSION

State and institutional interests are probably aligned most of the time. If they were not, institutions would emerge from budget hearings empty handed year in and year out. They don't. Public institutions fulfill public purposes continually as they graduate students, prepare teachers and health professionals, conduct research, create new technologies, deliver health care, and spur economic growth. But some highly visible and substantive concerns preoccupy the public and state policy makers, and institutional and state interests diverge. There is little question that boards and chief executives must acknowledge and address a rising tide of frustration and disenchantment if they are to serve in the public interest effectively. It is up to the governing board to reconcile these differences between the university or university system and society. But it can become problematic if a board is too sensitive to the external environment—too quick to act and ignorant of the enduring, common values at the core of the institution or system it oversees.

There is little question that boards and chief executives must acknowledge and address a rising tide of frustration and disenchantment if they are to serve in the public interest effectively.

Governing boards can be effective when they are able to balance institutional and state interests and when they have developed nonparochial views independent from internal or external constituent pressure. Effective boards see the big picture and serve the state or the community as a whole, not as one area of interest. Working with astute administrators, they are able to integrate public concerns into the decision-making process concerning academic policy issues.

Boards also must be careful to distinguish political interests from public interests, and they should recognize when the two interests coincide. Effective political leaders can integrate personal ambitions with political interests for the benefit of the public good, just as effective board members can integrate personal, institutional, and state interests for the benefit of higher education. Advancing narrow political interests, either of individual board members or of political leaders under the guise of reforming higher education, must never be mistaken for advancing the public interest.

Following are the major observations and conclusions from this chapter.

1. State officials do not always articulate a clear public agenda for higher education or discuss their expectations with prospective board members. Objectives for new board members—such as sound academic management, accountability, efficiency, productivity, and quality—may be referenced but not within the context of the boarder public interest or public agenda.

2. Most governing board members take their responsibilities seriously and work hard to be effective, in spite of the fact that boards often are undermined and underused as policy-making bodies.
3. Leaders of both higher education and state government generally desire governing boards that function as "corporate" boards, appointing, delegating to, and supporting strong executives and holding them accountable. But many state policy makers also want public governing boards to operate as "citizen" boards that ensure that the university or system addresses state and societal interests. Effective public governing boards are able to operate simultaneously and alternatively as corporate boards and citizen boards.
4. Many boards are unable to balance successfully the interests of the public and the state with those of the institution or system. Political leaders say boards fail to "bridge the gap" between institutions and the state because they are too closely aligned with institutional interests. Conversely, university leaders say boards fail to "bridge the gap" because they are too closely aligned with state interests.
5. Many participants in and observers of higher education fear that the notion of higher education as a common good benefiting society is becoming lost. Two indications of this fear is the advent of greater numbers of single-issue trustees who may not appreciate public higher education's broader role and the lack of cohesive board agendas that transcend the interests of individuals.

CHAPTER THREE

Navigating a New Political Environment

"Don't say it isn't political," admonished one state legislator when commenting about relations between higher education and the legislature. Higher education is political because it means so much to society. Leadership for higher education can be less politicized, however, if it is exercised with a sense of perspective and responsibility.

Governors and legislators inevitably have a substantial interest in the programs, priorities, and performance of higher education because public colleges and universities give policy makers leverage over fundamental strategic-policy issues in their states. At the same time, governing structures for higher education have become more diffuse, making it difficult to control either the process or product of one of the state's most important functions. For example, complicated arrays of coordinating, planning, and governing boards sometimes have competing stakes. Faculty claim powerful prerogatives of academic freedom and autonomy. Federal agencies retain control over central policy matters. And alumni and foundation boards exercise loyalty to tradition or to particular stakeholders. On the one hand, public colleges and universities have benefited from a measure of freedom to compete and excel. On the other, they are perceived as being unaccountable and, in the worst cases, unproductive.

As a result of their increased uncertainty and frustration, governors and legislators have attempted to assert their interests more directly. Whether through appointment of board members with specific political orientations or a commitment to activism, through agenda-setting activities that require boards to address issues they deem important, or through direct legislative or agency actions, governors and legislators increasingly—and in some cases painfully—have attempted to achieve what

boards and institutions may have been unwilling or unable to achieve on their own. Although academic leaders and institutional board members may express concern about such direct political intervention, it is certainly a sign that higher education has become too important and too entangled with the civic and economic life of the states simply to be left alone.

"Politics" in such situations is more about how to secure the greatest benefit for the state and its people and less about partisan battles over who governs. Certainly some states have experienced egregiously partisan opportunism. But whether this is called predation by ambitious political figures or assertive policy direction by statesmen, this new wave of intervention signals that elected leaders are looking for more direct and effective means of communicating the expectations of society to colleges and universities and for more responsiveness to their concerns from higher education officials.

Governors and legislators increasingly—and in some cases painfully—have attempted to achieve what boards and institutions may have been unwilling or unable to achieve on their own.

Higher education competes annually with other state agencies for public funds, a competition that seems to grow more intense each year. Yet governing boards and administrators must attempt to rise above partisan and regional politics, as difficult as that might be at times. Multicampus system boards, in particular, must be careful that competition among system institutions does not negatively affect the board's ability to make sound, strategic decisions. Many system board members say they resist the temptation to exploit state political, regional, and economic differences for the good of the state and university system. One system trustee reported, "We are now roughly an equal number of Democrats and Republicans, and we can rise above or manage any political divisions that come up." A regent from another system stated, "Maintaining a statewide vision is critical—when we take the oath of office we take it for the whole state, not just the region we come from." These viewpoints, from seasoned board members, express the steadiness, reasonableness, and nonpartisanship necessary to navigate rough political waters.

In a focus group, a senior legislative aide critical of higher education's divergent path from the needs of the state raised a question: "If a real or perceived disparity exists between institutional interests and state interests, what is the role of the board in addressing the disparity?" Separately, a lieutenant governor gave much of the answer: "Universities and state government have an uneasy relationship. We feel that higher education professionals don't trust us. Boards need to bridge this gap. They need to come forward with candor and honesty." A willingness to bridge the gap is part of

making policy in a political environment, and it requires politically astute board leaders and executives. A former board chair observed, "How boards respond to political pressure is important. To not respond is bad, but responding in a knee-jerk manner is equally as bad. We must be mindful that we sit right in the middle between the state and the institutions." The situation grows more critical when turnover among elected leaders increases and legislators and governors feel pressured to keep taxes low and the size of government manageable.

COUNTERPRODUCTIVE POLITICS

As governors and legislators attempt to assert their interests more directly, many lawmakers, trustees, and university and state higher education executives say they believe public higher education has entered a period or a cycle where political involvement is highly partisan and counterproductive. They see this, in part, as a reflection of what is occurring at all levels of government. "We have entered a period of political involvement that is more partisan and ideological; bipartisanship is disappearing," commented one higher education executive. Although certainly not present in all states, partisanship is a painful fact of life in states where higher education has become politicized. Governing boards and state coordinating boards, as well as their executive leaders, are feeling the brunt of such pressures.

As many have observed, higher education leaders must engage in the necessary democratic processes to make their voices heard, have their needs met, and better position institutions to meet a public agenda. Its leaders must remain aloof, however, from negative or counterproductive politics. Resisting political divisions that afflict the state and its elected leaders so partisanship is not reflected in the board is difficult, however. Many boards have a poor or mixed record in this regard.

Whether in a partisan or cooperative political environment, public higher education institutions are under pressure to perform better. "The university system is under duress for not contributing to the economic engine. Community and technical colleges are not under such pressure," observed one chancellor. This has led to such state initiatives as performance-based funding and to more extreme measures that limit institutional flexibility. In addition, governing boards face pressure to intervene in management or to centralize decision making precisely at the time, noted one long-time state higher education executive, "when decentralization and increased flexibility are called for."

The board's political independence. Counterproductive politics can interfere with effective governance if boards and their individual members fail to maintain political independence and nonpartisanship. If individual trustees become too enmeshed in the political culture of the state while serving on the board, they risk dividing the board along party lines, rendering themselves impotent with members of opposite parties, circumventing the expressed wishes of the whole board, or worst of all, making decisions inimical to the needs of the institution.

Although the failure to demonstrate independence is not pervasive among board members, it still is problematic when and where it occurs. In some states, it is clear that trustees arrive on the board with a clear mandate to do the governor's bidding, whether it is to dismiss a president, enact deep spending cuts, or revise the curriculum. Some are given a vague mandate to change the institution but have no sense of or regard for its "common values."

Partisanship is a painful fact of life in states where higher education has become politicized. Governing boards and state coordinating boards, as well as their executive leaders, are feeling the brunt of such pressures.

Clearly, lawmakers must exercise good judgment and appreciate what aspects of higher education governance are a necessary part of state democratic processes and when political intervention—by them or by board members—is out of bounds. Governors and legislators naturally may make their preferences and desires known to board members—publicly and privately. This is part of the give and take of public-policy making. "Governors still need to feel they have a voice with the board," a governor's education aide stated. Such a concern only is reasonable as it applies to board policy making. Preferably, the governor's voice can be heard through the president or chancellor, but if not, then through the board chair.

It is *inappropriate* for lawmakers to place undue political pressure on board members. The board's political independence can be compromised if the governor attempts to lobby the board or individual members too heavily in a specific area, such as athletics, the future of the teaching hospital, or some other pressing issue. Pressuring board members for political favors, to hire certain persons, or admit individual students is improper and can lead to abuse of authority by board members. No such behavior was reported during the site visits, but in other conversations and focus groups, such behavior was reported. (Frank Newman's 1987 book, *Choosing Quality*, describes many actual examples of inappropriate activity.)

A positive example demonstrates both trustee independence and a governor's preference on an issue voiced publicly and privately. A newly appointed regent faced a

dilemma over a personnel issue involving presidential compensation; the administration and governor held opposing views. After hearing the pros and cons, she decided system presidents were entitled to outside compensation, but she agonized over voting against the governor. When the time came, she cast her vote against his position. His response to her vote is noteworthy. "He said to me privately, 'Don't ever feel you have to agree with me.'" The governor had his voice with the board on a policy matter but did not put undue pressure on an individual regent (who happened to be his appointee) to vote his way. In fact, he explicitly sanctioning her independent thinking.

THE GOVERNING BOARD AS ADVOCATE AND BUFFER

Boards need to be independent to function effectively in two critical areas—both of which may need to be rethought in a new political environment. First, as *advocates* on behalf of the institution or system, and second, as *buffers* from occasional intrusive or inappropriate behavior from the outside. A board can be an effective advocate and buffer only if it is seen and respected as a body that has an identity separate from both lawmakers and the university administration, accompanied by a appropriate level of independence. It must not be viewed as a captive of either.

Advocate. Although university executives and state elected officials are not of one mind regarding their expectations about the degree of direct board involvement in advocacy, most people expect board members will use their relationships with lawmakers in an appropriate manner for the good of the university or system. The majority are appointed, after all, by the governor and confirmed by the legislature (a political process itself). They come with credibility and support, and many are well known prior to their selection. Although most boards will choose to delegate a large portion of responsibility for advocacy to the president or system chancellor, wise executives will exploit board members' political connections at critical times—such as during consideration of the state budget—and when necessary, in a collective effort for the good of public higher education in the state.

Tension between the board and state policy makers, administrators, or faculty may arise over institutional or system advocacy, particularly when state political interests and institutional interests are not synchronous. How forcefully should a board push for a higher appropriation or a new capital project when the governor has pro-

posed inflation-only increases in the budget? This question is evident in all states at one time or another. Conversely, can the governing board moderate institutional appetites for new programs in favor of greater interinstitutional cooperation and coordination? And can the board advocate effectively for high quality, affordable costs, and greater institutional responsibilities to the state? Boards do not always view these as areas of advocacy, but many citizens and policy makers believe this is where advocacy in the public interest should lie. State lawmakers want boards to function as informed advocates—that is, sensitive to the needs, ambitions, and constraints of the state as well as to those of the institution.

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Buffer. One of the primary purposes of higher education is the pursuit, transmission, and advancement of knowledge. Colleges and universities require a large degree of institutional independence to accomplish this, a condition that a group of lay citizens can best ensure. Part of the role as a buffer consists of protecting faculty members who may fall under attack for teaching controversial material or saying something provocative. There also will be occasions when the board will need to shield the institution from unwarranted criticism or actions on the part of elected officials. In some instances, the board will have to publicly defend the president and "take the heat" for a difficult executive decision. It sometimes is difficult to distinguish between political intrusion and the legitimate assertion of state interests (which sometimes is coupled with legislative impatience with board or institutional decision making). The next chapter explores the policy overlap between the governing board and the legislature in making academic policy as well as the problems and opportunities it creates.

Many trustees have difficulty understanding their role as buffer. Only when an incident of blatant intrusion occurs is their ability to fulfill this role evident. "There are cases of pure political intrusion on the part of impulsive lawmakers," stated one board chair. Being a buffer may consist of saying to legislators, "Let us handle this, not you," while the board does its own inquiry to see if any changes in campus policy are necessary. The board also can preserve institutional independence by ensuring that internal policies and procedures are in place in such areas as personnel, admissions, fund-raising, student discipline, and tenure and that the institution or system is complying with all necessary federal and state regulations. In addition, an accurate, concise, widely distributed and agreed-upon institutional or system mission statement can help to pre-

vent intrusion. "Adherence to a clear and approved institutional mission statement can protect an institution and its board from inappropriate pressure," stated one college president.

In some states, higher education and the business community have formed alliances to gain political support. Such alliances have been intermittent since the early 1980s, particularly in states facing a fiscal crisis, but are becoming more common. Board members are natural partners with the business community because many of their number are, or were, from the corporate sector. In other states, institutional advocacy and buffering responsibilities are being turned over to various campus advisory and foundation boards. A president in one state remarked, "If the agriculture or engineering school is attacked, it's not the regents who defend us, it's our alumni and friends on the foundation or school advisory board. They are performing governing activities when they do this and substitute for what the regents don't do."

Even if coordinated at the campus or system level, no matter how intentional this evolution of governance, how prestigious the membership of the various boards, or how necessary their advocacy and buffering functions, these boards are assuming responsibilities once under the purview of the governing board. In some states, such efforts are supplanting, not supplementing, governing board efforts; there is no partnership with the governing board as there is with the business community in other states. What does this mean for the governing board when two of its basic responsibilities have been assumed by another body? The impression is that governing boards are weakened.

THE POLITICS OF REGENT AND TRUSTEE SELECTION

The effect of politics on the selection process for trustees and regents varies by amount and intensity across the states. In some states it can be highly political—as are the final stages of selection in Minnesota, where regents of the University of Minnesota are elected by the legislature after emerging from a nonpartisan screening process. In other states it can be political periodically, as happens if the legislature rejects the governor's nominees strictly for partisan reasons. In some states, the process is totally politicized; trustees are chosen primarily on political criteria, including party affiliation or as repayment for past political debts.

The majority of members of the nation's public university governing boards are

nominated by governors and confirmed by the legislatures. University boards in eight states are chosen in popular statewide elections or are elected by the legislature. Even on boards with multiple sources of nomination, it usually is the governor who appoints most members. With such authority, governors exert influence and direction over the boards and their institutions or systems, even though many states have numerous statutory requirements (voting districts, gender, political party affiliation, and others) to which governors must adhere. Their decisions on appointments are at least as significant as those regarding the budget.

In most states—but not all—governors seriously undertake the task of appointing regents and trustees. Governors interviewed for this study made clear that they use multiple criteria for selection, including candidates' interest in and concern about higher education, their ethical standards, and their capacity to look broadly at issues. They say rewarding persons with appointments who help them politically is not out of the question, as long as the individuals meet other criteria.

Sitting board members, presidents, and chancellors play varying roles in forwarding names for vacant seats to governors. Some are assertive in suggesting names; others prefer not to suggest specific individuals; still others feel comfortable suggesting areas of expertise the current board may lack. In New Jersey, the state college boards are welcome to suggest names for vacancies to the governor. One governor views institutional suggestions as part of the open process for finding well-qualified people, but he noted, "I won't strongly consider them unless things [at the board or at the institution] are running like a Swiss watch." Another governor firmly stated the need to do homework before advancing nominations. "If I have to, I will horse-trade on other issues, but I will never send up names who will lose."

A confirmation hearing should be a time for constructive engagement between the legislature and board candidates, an opportunity to communicate joint expectations and compare beliefs, values, and ideals for the university or the system. But confirmation hearings occasionally become a public forum to evaluate the entire board or the governor's commitment to certain principles. The senate in one state rejected a slate of nominees because it lacked racial and gender diversity. In another state, the legislature took the opportunity to chastise the whole board because it failed to implement an incentive-funding program. In another state, the senate rejected a renominated candidate in part for his vote to grant university health-care benefits to same-sex

partners. Usually, but not always, a failure to confirm a nominee occurs if the governor and senate are from different political parties.

Legislatures certainly have an important duty to perform when reviewing names for confirmation. A Midwest legislator told of his state's written, public criteria for confirmation hearings. Adhering to the criteria resulted in the rejection of some of the previous governor's nominees.

Attracting and retaining prominent and high-caliber citizens for trusteeship. Lawmakers, as a group, see fewer problems with the selection process than do presidents and board members; this gap in perceptions is significant. Despite a few concerns about restrictions in state statutes, the governors interviewed believe a ready and competent pool of citizens is available for consideration. It also is apparent, however, that many able, qualified people are disregarded or may not be stepping forth to serve on governing boards. This perception is pervasive among four-year college and university presidents. These presidents also report their boards are not retaining all of the qualified, high-caliber trustees who currently serve.

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A governor's education policy adviser noted that the large flagship institutions in her state have stronger boards because the governor takes time to listen to their needs. In addition, appointment to these boards is considered desirable. "It's the smaller, regional institutions that have problematic boards," she added, implying this was so because they are less prestigious and deemed to be less consequential to the state. Such boards attract or may be assigned individuals of lesser stature. Presidents of larger universities and systems also perceive the immediate need for stronger boards because of challenges looming on the horizon. They often report a decline in overall board capacity and an increasing inability to deal with the complexities and budgets of large institutions.

In states with many campus governing boards, filling the seats for vacancies can require considerable time, even if terms are staggered. "Governors sometimes are tardy in filling vacancies because of background checks or the timing of confirmation hearings," one admitted. Tardiness creates an impression that board appointments are not a gubernatorial priority and leaves some boards undermanned during critical times. In addition, some trustees who seek reappointment are not renominated by a governor for purely political reasons. They may have been appointed originally by a governor of the opposite party. Even if they are not active politically and have been committed and

effective trustees, they are forced to forfeit their seat to a political appointee. "Unfortunately, political considerations remain the ultimate motivation for appointments and reappointments in our state, and substantial benefits are forfeited," said one former board chair who was not renominated.

On the other hand, one president suggested that governors carefully "transition" their new board appointments with those of previous governors, retaining good members without regard to political party or to the predecessor who appointed the trustee to a first term (unless a party balance is required by state law). Too radical a change in its makeup may disrupt the board and lead, in the opinion of one long-time observer, "to a political backlash" the next time a new governor is elected from the opposite political party.

Most governing boards choose their own board chair. On occasion, governors make their preferences for the chair known to other members of the board and have pushed for that person's election. Governors in only a few states have the statutory authority to appoint the chair. Having a chair who is the governor's choice can have positive or negative consequences, depending upon the individual's stature and on the independence the chair can demonstrate when necessary.

Screening processes. Many presidents and board members express a desire to preserve momentum on good appointments. The chair of one board observed, "The governor's appointments have been excellent, but we need to institutionalize a selection process so that when the governor leaves office we will still get quality appointments." Another board chair stated, "Merit selection of board members—with specific qualifications and expectations—would benefit the governor, those considering or seeking an appointment, current board members, and our entire university system." Several presidents in the focus groups and in some of the visited states voiced this need for a screening process for trustee selection. "We need a process like we have for judges," said one president. Short of such a process, one governor suggested governors and their aides would benefit from a list of qualities to look for when considering nominees.

Attracting or retaining prominent or high-caliber citizens certainly is not a problem for all boards. In some states, board appointments are highly sought and valued. But it is a recognized problem for many boards and an unrecognized and unacknowledged one for many others.

The board as a stepping-stone. The appointed and elected trustees and regents who have high standing in the state or community and their own successful careers (including those formerly holding elected office) far outnumber those who use board service to advance their political futures. But some trustees see their position on the board as a stepping-stone to higher elected office. It cannot be a surprise that states with elected governing boards (nationally, only six university boards are popularly elected) present an opportunity for civic-minded and ambitious citizens to use board service for experience, visibility, and a route to higher office. But a number of presidents suggest that seeking higher office has led board members to seek controversy for the purpose of attracting press coverage, to grandstand during meetings, or to take positions out of self-interest rather than institutional or state interest. This problem appears to exist as much in states with appointed trustees as in states with elected boards. Board service and doing the "right thing" for higher education and the state should be compatible goals for all trustees and regents.

Heightened political activity in many states results in partisanship and counterproductive political behavior that negatively affects board performance. For a variety of reasons, public trusteeship has become an increasingly unrewarding civic activity.

CONCLUSION

Nearly all stakeholders interviewed during the course of this project voiced overwhelming support for the concept that citizen boards are the most appropriate mechanism to oversee and govern colleges and universities. Citizen governance is linked in people's minds to American-style democracy and is considered superior to such other governance options as direct government or faculty control. It is the execution of citizen governance that is often seen as flawed.

Although analogies to other institutions of democratic government do not always hold, the conduct of citizen governance shares similar inherent strengths and weaknesses with legislatures, city councils, and state commissions. Members of these groups continually wrestle with challenges of constituent representation versus the exercise of independent judgment; they must balance competing interests; and they struggle to conduct public business effectively in an environment of open government. If boards are unsuccessful in making policy in a political environment, if they cannot make policy that addresses institutional and citizen needs with the interests of both equally in mind, they will fall prey to the travails of many of our democratic institutions: mistrust, inattention, cynicism, outside political interference, stultifying partisanship, incivility in debate, a decline in civic responsibility, the belief that constituent

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representation takes precedence over institutional needs, and other ills. Political and higher education leaders must work together to prevent these ills from occurring in their states and paralyzing their governing boards.

Following are the major observations and conclusions from this chapter are:

1. Heightened political activity in many states results in partisanship and counterproductive political behavior that negatively affects board performance.
2. Many qualified citizens are overlooked or do not step forward to serve on public governing boards, and many boards are unable to retain high-caliber trustees. For a variety of reasons, public trusteeship has become an increasingly unrewarding civic activity.
3. Governing boards can be effective advocates for institutional needs, as well as buffers against inappropriate intrusion into institutional affairs, only if they are seen and respected as maintaining a separate identity and an appropriate level of independence from the state and the institutions they govern. Many boards are too willing to compromise their political independence.

CHAPTER FOUR

Balancing Board Responsiveness With Policy Independence

In the often contentious political environment described in chapter three, board responsiveness and institutional accountability continually surface as important issues. To make policy successfully in a political environment, boards must address these issues directly, demonstrate responsiveness, and assert their policy independence.

Many stakeholders are critical of governing boards' lack of responsiveness and accountability to their key constituencies—governors, legislators, community leaders, and groups internal to higher education such as faculty, students, and some administrators. To some critics, governing boards are aloof, removed from legislative processes and leaders who make decisions, including appropriations, that significantly affect the institutions they are responsible for governing. Other critics claim that board members are arrogant and presumptuous about the legitimacy of their claims to autonomy. In one state, an influential state legislator said, "The regents? We never see them, but they expect us to keep giving support to higher education." In another state, a senior senator said, "The regents are arrogant and misinformed; maybe they'll listen if we stop giving them appropriations each year." These illustrations demonstrate the gulf that can develop between lawmakers and leaders of the academy. This schism arises from lawmakers' view that governing board members fail to respond to public authority in a timely manner or to demand accountability from higher education institutions.

Lawmakers define "accountability" as responsibility for actions and to some extent, results. The concept of accountability has been applied to higher education since the 1960s, especially by those outside the academy. However, the meaning of accountability and its application to higher education has varied greatly, from respon-

sibility for fiscal matters (a commonly used application) to responsibility for student assessment and academic outcomes (a more recent application). More recently, "accountability" has evolved to describe the price colleges and universities pay for public support. It also is being used to depict the best way institutions might adapt to a more competitive marketplace. At one time, academic leaders viewed accountability as a concept either to be tolerated or avoided. Higher education's critics, however, have persisted.

This project uncovered substantial dissatisfaction with "efficiency of freedom," a concept that proposes higher education institutions function best with maximum autonomy and a laissez-faire policy from state government. Governmental expectations and market pressures assert ever-growing demands on institutions. Market mechanisms greatly influence all sectors of the national economy, particularly in that product and service performance and "value added" are supplanting regulation as criteria for measuring success. These concepts are taking hold more slowly in higher education. Nevertheless, governmental expectations and influences still dominate the environment of public higher education. Consequently, public colleges and universities are less responsive to market demands. This is changing, however, as the higher education marketplace becomes increasingly crowded, and public higher education leaders must compete with other public services for funds and private institutions for students. Higher education leaders must undergo serious self-examination if their institutions are to add value for the people they serve, respond to their needs, and operate with accountability.

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Campus freedom in such a market is not boundless, however. Just as other government and public services are being pressured to improve efficiency and effectiveness, higher education also is being held to higher performance standards. A point in higher education's favor: Most citizens and elected policy makers have a large reservoir of goodwill toward higher education. Yet citizens and policy makers alike contend that those in charge of higher education must be better stewards of the public trust and more responsive to identified state needs.

Governing board members are positioned to provide leadership that yields greater responsiveness and accountability because of their responsibility to articulate their institution's mission and periodically report on performance to key external and internal stakeholders. Further, as citizens rather than professional employees, board members can serve as barometers to gauge and report on public attitudes. As such,

they are an extremely valuable resource to the campus. In this capacity, trustees can be a source of objective advice to campus leaders, articulating public expectations for performance and helping construct convincing reports to external audiences.

RESPONSIVENESS TO EXTERNAL STAKEHOLDERS

Higher education leaders must be responsive to a host of constituents, including governors and legislators, taxpayers, tuition-paying families, and civic, business, and organizational leaders. Board members can be especially helpful in guiding their institutions toward greater levels of fiscal accountability and program accountability.

To maintain program accountability, board members must examine the relationships among academic programs, strategic planning, institutional budgeting, and mission. Boards in a growing number of states now appear to be doing so.

Fiscal accountability. Public appointed and elected leaders have particular interest in the wise, efficient expenditure of public resources and in sufficient justification of proposed expenditures. A public board's fiduciary responsibility is granted by law to ensure the fiscal integrity of the institution (among other things), and regardless of whether the board is constitutional or statutory, legislators hold boards responsible for fiduciary oversight and monitoring how higher education dollars are spent. In many states, board authority for fiscal oversight has eroded over time because board members have been neither sufficiently vigilant nor responsive to legislators. As a result, many legislatures have allowed cabinet-level agencies to subsume the fiscal authority of institution governing boards.

All the same, states leaders are quick to denounce boards if actual or perceived abrogation of authority occurs. Lawmakers may view as fiscally irresponsible a governing board's approval of a large increase in a president's salary or a negotiation of a large severance package, even if such actions are justified. Some legislators are consumed by tracking where the money is spent or will be spent, demanding from boards and state system officials annual accountability reports, preapproved spending requests, or regular audits that compare colleges and universities to other state agencies. As a chancellor reported to his board, "We have to respond to the legitimate concerns raised in the legislative audit and correct areas that should be corrected. But the audit was done to compare us with other state agencies, not with other comparable university systems." (In this system, board members accepted the parts of the audit they deemed appropriate and rejected those they deemed inappropriate.)

Program accountability. This facet of accountability is focused more on academic programs and institutional mission than finance. To what extent do academic and other programs support and affirm the institution's mission? The answer to this question lies in the relationship between the centrality of programs and the focus of the mission statement. State programs at some institutions no longer are needed. Some proposed programs may stretch scarce resources too far, diverting funds from programs that communities and states *do* need.

Governing board members should be responsible for reviewing new programs suggested by faculty and academic administrators. They also should review existing programs periodically to ensure they continue to support the institution's mission. However, unless these oversight and review duties are carried out as part of strategic planning or during a fiscal crisis, they often never are carried out. Boards frequently fail to insist on ongoing internal reviews of academic programs, leaving such decisions to system administrations, state coordinating agencies, or state legislatures. To maintain program accountability, board members must examine the relationships among academic programs, strategic planning, institutional budgeting, and mission. Boards in a growing number of states now appear to be doing so. A gubernatorial aide observed, "In the past, governing boards were not receptive at all to looking at institutional performance against role and mission, but that is changing because 'the financial pot' is getting smaller for higher education."

Additionally, the broad area of program accountability includes the extent to which academic programs are responsive to student needs. For example, if students cannot enroll in courses required for graduation because of an imbalance between required courses and elective courses, the affected students and their tuition-paying parents view the program as unresponsive.

Further, program accountability encompasses *effectiveness*, especially as new processes to improve academic programs are devised, and as program goals gain importance in the marketplace and value to students. Students are more cognizant of "value added," and they seek guarantees of success, particularly in post-graduation employment and graduate school entrance. Universities that offer work-study opportunities, internships, summer employment, and links to business and industry are more attractive to students and thus gaining prevalence among institutions. As colleges and universities adapt academic programs to become more responsive to employers' needs

for better educated employees and to students' needs for career-focused learning, state leaders and others tend to view the institutions as more responsive to the economic and work force needs of the state.

Still another example of program accountability relates to a mismatch between community college programs and public university programs. In some states, students have difficulty transferring lower-division courses to four-year institutions. Students, parents, and legislators view this problem as a lack of concern and responsiveness. Solutions require a fully cooperative effort among the people responsible for all state higher education institutions. Boards set the tone for how such problems are resolved by establishing expectations and holding decision makers accountable.

RESPONSIVENESS OR LEGISLATIVE INTERVENTION

In many states, lawmakers report that boards fail to address major academic and public-policy issues facing the institution or system and the state. Further, they charge that many boards fail even to *raise* these issues with senior administrators. "The board isn't asking the hard questions of the chancellor, and there's too little examination of the big issues our state is facing," a legislator complained. A legislative staff member added, "It's the legislature, not the board, that's posing the big questions on issues such as accountability and benchmarking." In the absence of a board agenda that identifies major issues and encourages informed discussion and decision making, these issues default to the governor or legislature, often in an untimely manner and with negative consequences for the board—not the least of which is the board's diminished role as an institutional policy maker.

Boards should strive to balance their roles as independent, policy-making bodies responsible for protecting the long-term interests of the university or system with their roles as responsive bodies that must be sensitive to constituent concerns and state demands, both immediate and long term. Many of these demands are legitimate and deserve appropriate responses from boards, regardless of whether the boards are constitutional or statutory. Sometimes, as noted previously, such demands constitute blatant political intrusion. In these cases, board members must buffer their institutions from unwarranted and disruptive interference.

As state leaders attempt to assert their interests more directly, they threaten the policy independence of governing boards and the overall independence of institutions.

Indeed, many legislatures pass laws that circumvent the authority of boards precisely because elected leaders perceive that board members are unable or unwilling to address issues and concerns on the public agenda. In some states, legislative intervention is so pervasive that it intrudes into academic policy, which clearly should be the province of the governing board, academic administrators, and faculty.

Board authority and independence erode when board members consistently defer decisions on academic policy to others or completely avoid difficult decisions about the viability of academic programs. Their authority as academic policy makers also erodes when they seemingly minimize issues that are legitimate public concerns (access, cost, accountability, quality, and productivity) by disregarding public input prior to board action. Minus such input, the governor or legislature may heed constituent demands or ask a state coordinating board to intervene. Ultimately, the board's authority is weakened. In states with full-time legislatures and capable staffs, assertive legislators are not about to wait for lengthy board deliberation either on public-policy matters or academic-policy issues. Rather, they have proceeded far past asking strategic questions—they are forming their own answers. As one long-time senate majority leader observed, "There's an overlap in policy making between the board and the legislature, even though the legislature exercises restraint; a void in policy making leads to legislative action." Similarly, there is an overlap between governing boards and state coordinating boards.

For the most part, legislatures take direct action reluctantly. Notwithstanding some evidence to the contrary, the vast majority of legislators do not want to control public higher education.

Some in academe label such legislative override as political intrusion. In some cases, intrusion does exists: for example, state monies held in abeyance until the board or institution acts, or riders to appropriations bills that attempt to tie the hands of board members or administrators on issues unrelated to the bills. But overall, legislative actions are less motivated by willful intrusion and more by institutional unresponsiveness. For the most part, legislatures take direct action reluctantly. Notwithstanding some evidence to the contrary, the vast majority of legislators do not want to control public higher education. A dispassionate legislative staff member explained, "The board's passive stance left to others the power to fill policy gaps." In this particular state, the legislature views itself as the protector of the public's interest on issues of cost, time to degree, and access, and they view the board and administration as unresponsive protectors of the status quo.

Board leadership and accountability. Most legislators interviewed for this project report they want effective, decisive governing boards and chief executives who will respond to state needs by addressing fundamental strategic and academic issues so legislators have no need to become involved. One legislator spoke for many when she said, "We want and need regents with power and authority."

In this regard, the contributions of individual board members are important, but strong board leadership is even more crucial. Board leaders must galvanize the board as a whole into an effective policy-making body, represent the board in frequent public forums, and help develop a public agenda for higher education that answers the state's broader higher education needs. In many states, the quality of board leadership is impressive. Even when a board is viewed negatively, effective, assertive leadership appears "to save the day" for the board as an entity. These enlightened board leaders have a deep understanding of higher education and yet are sensitive to the following basic reality of public higher education governance: Boards must demonstrate their responsiveness and accountability to governors and legislators.

The desire for better communication. Political leaders' discontent with higher education is heightened by their perception that board members and administrators fail to communicate effectively. Lawmakers, particularly governors, are distracted by a myriad of issues; they may focus on higher education policy only during the budget process or in times of crisis on a specific campus. During other times, policy aides and staff serve as a conduit of communication for governors and legislators. Increasingly, however, many governors and legislators express their desire for better, more consistent communication with governing boards, including a flow of direct, unfiltered information both ways. Currently, information too often is filtered and "managed" by staff, administrators, and the media in some cases, especially in states that have a single multicampus system governing board and in states where the legislature meets part-time. In states with single-campus boards—where state coordinating boards are crucial—direct communication between lawmakers and governing boards may be less frequent, but it is no less necessary. In all cases, legislators and governors want board members (especially board leaders) to articulate institutional issues directly to them.

Sometimes, legislatures speak with many voices. The legislative bodies can con-

vey conflicting messages regarding higher education because of the large number of individual members (all of whom have unique viewpoints and perspectives), political party differences, and pressure from constituents. "The legislature itself is conflicted," a former legislator observed. "It expects programs to be delivered all over the state for its constituents yet it doesn't have the money to support this much activity." Another added, "Too many in the legislature still have their pet programs at their institution that they will add or sustain." This environment requires governing boards to monitor closely the messages from legislative leaders, supporters, and critics. The plea of one legislator was instructive: "We simply need to communicate more to reduce the tension between the board and the legislature."

The legislature and its staff in one state were particularly tough on higher education during a site visit to gather data for this project. To sort right from wrong or determine appropriate board positions and actions was not possible, appropriate, or the purpose of the visit. Rather, what became clear as the visit progressed was that a greater level of engagement between the legislature and higher education leaders might ease tensions. Leaders in another state initiated this type of engagement, which they called a summit, to denote a proper level of participation and identify expectations. They wisely convened the summit separate from the biennial budget process, held it on neutral ground during an appropriate time of the year, and conducted a frank and open discussion on accountability among all key players.

As previously noted, lawmakers will continue to ignore (or attempt to ignore) the independence of public colleges and universities and assert their interests as long as they view higher education as crucial to their states' civic and economic well-being. In a new political environment, these assertions will be mitigated only if affected leaders work to clarify overlapping policy-making authority, make good-faith efforts to improve and sustain open communications, and provide some evidence that higher education decision making can be accelerated. Further, leaders must acknowledge that many of the fundamental strategic issues facing states require collaboration among institutions, university systems, and state government. Together, these leaders can form a public agenda for higher education. At the same time, governing board members and the academic leaders who make decisions (and are most affected by the decisions others make) should make academic policy.

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Faculty. Faculty members are a major constituency of a campus. In recent years, faculty and their primary governing organizations have expressed growing concerns about their role in campus governance, a practice called "shared governance." Specifically, many faculty groups question whether they will have meaningful input into campus decisions on academic matters (such as faculty hiring, program decisions, and tenure), and whether governing boards make decisions that always are in the best interest of the faculty. In most states, many faculties—as entities and as individuals—have their own direct link to legislators. A legislator commented, "Trustees tell me that it's not important to collaborate with faculty. If trustees aren't reaching out to the most important component of this entire university, which is the faculty, they're not doing their job." One can extrapolate from this comment that failures in shared governance among boards, presidents and faculties that lead to inaction on academic policy invite legislative action and intrusion.

Board members must become engaged with issues and people more intimately if they are to respond to the many pressures from those in state governments and the academy.

Board members must communicate with and respond to the faculty, not just to appease legislators but to understand and appreciate the crucial work that is at the heart of the university—teaching, learning, and scholarship. Two-way communication can also engage the faculty around an institutional agenda and help widen the perspectives of faculty too often consumed by narrow, academic-discipline-based interests. During a visit for this project, a board provided an example of such communication: Its leaders make a concerted effort to reach out to faculty by scheduling separate meetings with the system executive and faculty representatives from various campuses before or after every board meeting. This new communications avenue was instituted to address faculty concerns about system restructuring, the board's decisions on program articulation, and generally to give the faculty some stake in board decisions.

Many legislators expressed concerns that boards have relinquished too much authority to faculty, although they were not specific. The question of "Who is really in charge?" often surfaced. Many presidents and boards members agree that governing boards too often exert inadequate oversight on academic issues and the budget's curricular priorities. These concerns also were a central theme of *Renewing the Academic Presidency: Stronger Leadership for Tougher Times*, the report of the national Commission on the Academic Presidency (AGB 1996). Yet if citizen boards are to serve as messengers to and from higher education, they must inform and be informed by faculty.

CONCLUSION

Today's governing board members must respond to external stakeholders to ensure institutional accountability. This fundamental responsibility is crucial to the well-being of higher education institutions. Board leaders, in particular, must work with presidents or system administrations and balance responsiveness with assertiveness when interacting with internal stakeholders (such as faculty) and external stakeholders (such as the legislature). Additionally, higher education leaders must listen to the concerns of the public and the legislature. Their questions must be answered and their needs addressed if for no other reasons than to preserve and protect the legitimate policy-making authority of governing boards over the institutions they govern and to prevent its erosion by legislatures or coordinating boards.

Board members must become engaged with issues and people more intimately if they are to respond to the many pressures from those in state governments and the academy. The most effective board members and administrators will be those who are keenly aware of fundamental strategic-policy issues and who are committed to working with state policy makers. Only in this way can boards and state leaders address strategic issues in an inclusive public agenda, complete with realistic institutional or system goals and academic policies, with a board work plan to achieve them.

Following are the major observations and conclusions from this chapter:

1. In several states, public governing boards are weakened because they surrender policy independence to others. State political leaders increasingly act in place of boards when boards fail to address major academic policy issues or problems that legislators deem critical.
2. The perennial tension between institutional autonomy and accountability remains unresolved with governing boards often caught between the interests of institutions and those of state government and the broader public.

CHAPTER FIVE

Removing Obstacles To Effective Public Trusteeship

In contrast to earlier chapters concerning the board's responsibility to the public, state, or institutional interests and its responsiveness to the citizens, lawmakers, or institutions, this chapter concerns the responsibilities of the state and president or chancellor to the board. It also addresses board members' responsibility to the board as an entity and to one another as individual trustees. In the terms of one university official, the chapter explores how boards might move "toward enlightenment." It focuses on the laws, policies, and practices that either enhance or impede a board's ability to function as an effective policy making body, including members' willingness to assume basic responsibilities for improvement.

Board members face enormously complex and challenging issues. To address them, trustees must operate within a set of conditions that fosters effective board practices and responsible individual behaviors. Unfortunately, in many states and boards, conditions are far from optimal.

Effective boards concentrate on understanding how or whether their institutions are fulfilling their missions and how those missions contribute to the broader public agenda for higher education and the public interest. Effective public institution boards can develop when governors and legislators—who appoint members and presidents—and board leaders—who guide and facilitate board work—collaborate to support sound policies and practices.

HOW BOARD EFFECTIVENESS IS IMPEDED OR ENHANCED BY STATES

State laws, regulations, and policies can affect the performance of governing boards significantly. Foremost is the founding statute or state constitution that may lay out

explicitly (or not so explicitly in some cases) the legal responsibilities of the board, but other laws, regulations, and policies also have major effects on board effectiveness. For example, in the past two years, leaders in more than half the states have debated seriously or changed some aspect of public higher education governance. Changes involve amending founding statutes, restructuring the size and number of boards, enacting laws on trustee selection and education, and modifying laws regulating university personnel and procurement policies, among other legislative alterations. Suffice to say, legislation and policy modification can empower boards and enhance their effectiveness or impede their authority and inhibit their work.

Five areas of change generated the most discussion in this study: state open-meetings laws, the size of governing boards, state deregulation initiatives, state-level board education experiences, and the length of terms for board members. The first two inhibit board performance, the third and fourth enhance it, and the fifth shows mixed results. (The vagaries of the state budget process and its negative affects on effective strategic planning could qualify as a sixth). The following explores each of the five in detail.

Most trustees say they would prefer to scale back the number of public meetings and expand the range of issues that can be discussed in executive session.

State open-meeting laws. Open-meeting laws exist in all 50 states, and they apply to all public boards and agencies. They were enacted with the best intentions—to open the processes of government and make them more accessible to citizens. These laws largely fulfill this intent, but for public higher education, they often create serious difficulties. Nearly everyone interviewed for this study agrees that open meetings prevent boards from doing their jobs effectively, and open-meeting laws should be changed. Further, nearly everyone agrees that there is relatively little chance that the laws will be changed.

Board effectiveness is diminished when members are unable to discuss some issues candidly and privately before a vote is taken, or to hold an "off-the-record" retreat to build cohesion and set strategic directions. Open meetings are "part of the cost of doing business," said one board member. Yet most trustees say they would prefer to scale back the number of public meetings and expand the range of issues that can be discussed in executive session. By doing so, they could minimize public posturing and allow a freer exchange of ideas in less scripted meetings. Clearly, presidents and board members want to operate in the open as much as possible, but they feel the public's right to know (a right usually defined and enforced by the popular press) has become excessive and intrusive. When it reaches such a stage, it impedes the ability of

boards and presidents to do their jobs effectively. A president of an urban university who is working to improve institutional quality addressed the difficulty of open meetings: "We have such a politicized university and surrounding community that the discussion among the board members that must take place cannot to the extent it should." Board members, presidents, and many lawmakers clearly are dissatisfied with state open-meeting laws, albeit to different degrees.

Since this project began, the Michigan legislature passed a more moderate approach to public university presidential searches, a perennial hot-button issue for critics of open-meeting laws. Under the revised law, public institutions can conduct all phases of presidential searches except the final stage behind closed doors. Prior to the recent change, various courts interpreted the law so institutional leaders were compelled to conduct completely open searches, including revealing the names of all candidates, which, if a continued requirement, would thwart all attempts to attract quality leadership. The universities, legislature, and governor united to pass a law that brought a sensible balance between the need for effective board and board-authorized decision making with the public's right to know.

Most regents or trustees and presidents on smaller boards believe a slightly larger board would allow them to conduct business more effectively and efficiently, especially on issues of fiduciary oversight and issues that require sophisticated financial expertise.

Size of governing boards. The size of the governing board also is frequently identified as an issue that deserves special attention. Board size is fixed in state law or the state constitution. Most public university boards, whether they are single or multicampus, are relatively small—in many cases, they range between seven to nine members. In many states, multicampus system boards especially appear to be too small for the many and complex oversight responsibilities with which they are charged. The 30 senior university governing boards interviewed during site visits average 9.5 members and range from seven to 14 members. If ex-officio members are excluded, they average fewer than 8.5 members.

Generally, most regents or trustees and presidents on smaller boards believe a slightly larger board would allow them to conduct business more effectively and efficiently, especially on issues of fiduciary oversight and issues that require sophisticated financial expertise. Others feel that larger boards are less likely to be dominated by one or two vocal or aggressive members, or have its agenda too easily diverted to answer the narrow concerns of a single trustee. Others fear that too large a board would increase the possibility that factions would form.

Many legislators agree with the concept of larger boards. In one focus group, a legislator commented about the efficacy of a larger board of up to 15 members. His remarks resonated with several others at the focus group. Clearly, no participants wished for boards to grow too large, thus diffusing accountability or diluting individuals' contributions. Some legislators warned that a large board simply would magnify existing problems. No one expressed support for the public institution boards of 30 or more members often found in independent colleges and universities.

In some states, identifying and attracting qualified candidates for current board membership is difficult enough, and could become even more difficult if board size were increased, as one governor made clear. This possibility has not hindered New Jersey (which has 12 public governing boards) from finding ample numbers of qualified candidates, however. State leaders are allowing its nine public colleges to increase the size of their boards from nine members to as many as 15 to create a greater capacity to carry out the enhanced responsibilities legislation granted to them in 1994. The governor will continue to appoint members upon recommendations of individual boards.

State deregulation initiatives. Excessive regulation by cabinet-level agencies or excessive budgetary oversight by legislatures not only impedes the work of presidents and administrators, it also interferes with the ability of the board to exercise its authority. If the board needs to reallocate part of the budget, adjust tuition levels, respond quickly to a new student market, or reduce or reassign staff, unnecessary delays while seeking approval from other levels of government will lead to lost opportunities and a waste of money.

Much confusion exists over terms and definitions, so a distinction follows for clarity: Legislation to *deregulate* higher education is not the same as legislation to *restructure* the governance of higher education.

Deregulation usually is less dramatic in scope than governance restructuring but not necessarily in result. In some cases, deregulation can be accomplished through a governor's executive order, although legislation usually is required. It recognizes the uniqueness of higher education's academic, administrative, and business operations and it is enacted to help colleges and universities operate more efficiently. Deregulation allows the board and administration to make financial and personnel decisions independent of the state bureaucracy by freeing the board from regulations that often apply monochromatically to all state appropriated monies or state employees. By

doing so, it allows the board to exercise its oversight responsibilities, particularly those granted by the state in the area of fiduciary responsibility as noted in chapter four. Money saved by deregulation can be reallocated directly to academic programs by the governing board with fiscal accountability still ensured through an annual audit. Deregulation in some states has been a trade-off in return for greater demonstration of results concerning student and institutional performance.

Unless governors know their appointees and understand their role, and unless appointees have a clear understanding of their responsibilities, the risk of misunderstanding and misguided action is significant.

Governance restructuring often includes elements of deregulation, although some forms of restructuring actually centralize university functions with higher levels of authority—as was the case from the 1950s through 1970s, when state coordinating agencies and many large university systems were created. Restructuring generally is a broader endeavor than deregulation, requiring changes in state statutes or constitutions that reconfigure governing boards and institutions and change the reporting lines between administrators and the board. Throughout the history of public higher education, the most sweeping restructuring efforts have been seen as solutions to institutional inefficiencies and excessive competition, and most recently as an effort to streamline government. As legislatures grow impatient with unresponsiveness to desired changes in academic policy, they have acted when they believed governing boards were ineffective in correcting institutional inefficiencies, managing institutional competition, or creating colleges and universities responsive to state needs.

One example demonstrates the direct and indirect impact deregulation can have on governing boards. A higher education executive compared the public perceptions of his statewide governing board before and after the implementation of state deregulation legislation prompted by a state fiscal crisis. The legislation freed the system and its institutions from many state regulations, particularly in system finance, and empowered the board and senior administrators to make campus and system decisions as they saw necessary. For a period of time before deregulation, the executive reported that a seat on the board of regents was viewed as being diminished from a respected, prestigious responsibility to an undesired one: "We would give names to the governor for vacancies but we were told the nominees said 'no thank you.' We went back to these people and asked why they wouldn't serve on the board. One said, 'I'd rather be at a private institution where I can look back at a finished term and say that I helped do something.' Another stated, 'On the board of trustees there is too much tension and not enough real authority.'"

But after deregulation, the executive reported that citizen interest in serving on the board was ignited again. He said, "The state created an environment in which the board felt it could function and not be manipulated by either the chancellor or the governor. Our regents now feel they can accomplish things; being a regent is once again a plum position." Another executive observed that such state-level changes can lead to a transformation within the board by allowing it to refocus its attention to the big issues.

In the past two years, lawmakers in ten states have debated deregulation, and in 19 states they have considered restructuring some aspect of public higher education (Four of these states were visited for this project.) All such efforts appear wrapped in state politics from their conception. As many states assess the performance of their system of colleges and universities against a defined public agenda for higher education, it is likely that additional states will make changes in either structure or state regulatory practices.

Board Education. Unless governors know their appointees and understand their role, and unless appointees have a clear understanding of their responsibilities, the risk of misunderstanding and misguided action is significant. Candidates for board appointments should have a clear understanding of the dual responsibilities they must perform: the scope and nature of the institutions they will serve and the nature of the public "trust" they will hold. They also need to understand the expectations of their principal constituencies. In short, prospective or actual board appointees greatly benefit from a professionally planned and implemented orientation and continuing-education program. Those appointees who neither have previous experience on a board nor experience with complex organizations will benefit most.

Lawmakers and university executives nearly universally agreed that neither group facilitates enough board education and development at the state, campus, or system level. Further, they say this deficiency leads, in part, to the confusion over basic responsibilities that so many board members report. Some states are making progress on this front by legislative actions and executive orders that improve board education experiences through annual statewide conferences. These conferences provide trustees (and presidents) an opportunity to learn more about the roles and responsibilities of trusteeship and current public-policy issues. They also provide conferees the opportunity to

share experiences with colleagues from other institutions. More than a dozen states offer statewide education programs (half of which are required by law), and they are more prevalent in states with single-campus boards. Legislative leaders and governors play a major role in supporting conferences by participating as speakers or by designating special appropriations to fund them. As one state higher education executive noted, the conference in her state also gives the governor an opportunity to express his expectations directly to the participating board members. Ohio, at the governor's initiative, is the most recent state to enact legislation for an annual program. Such programs work best if they are voluntary rather than mandatory activities, which actually may deter service. Presidents may be skeptical initially of such state-run programs, which often are conducted by the state coordinating agency, but their skepticism can be overcome by including presidents and other executives in development of program agendas and the program itself.

Length of terms for board members. The appropriate length of term for board members is a topic on the minds of many. Board members clearly need time to grow into their responsibilities. For most board members, this period of acclimation takes a number of years during which they probably do not perform at the height of their potential. With good orientation programs, continuing education, and exposure to increasing responsibilities, a board member begins to emerge fully after several years. On the other hand, beyond a period of ten years or so, many board members report their dedication, interest, and energy begin to fade.

Nationally, public university boards report average terms of six years; one-third have limits of two consecutive terms. The majority of boards in the visited states have six-year terms—the range is four to 12 years, with a second term allowable. Despite some concerns about diminished interest and energy, board members feel after a long period of service, there are equal concerns regarding legislative attempts to reduce significantly the number of years of board terms, a move many fear will negatively affect board effectiveness. These attempts appear to be based on concerns that terms longer than four years isolate governing boards from the people or state lawmakers, leading to lack of board responsiveness.

In some states, lawmakers, in consultation with presidents and board leaders, will have to weigh the merits of shorter terms—the only direction in which recent changes have been made or seriously discussed. Before legislating any changes, howev-

er, wise lawmakers are mindful of a board's need for policy independence, the role of the board as a buffer to political interference, and the time board members require to become truly effective. Additionally, wise legislators examine factors other than term length that attract or deter qualified candidates and affect board effectiveness

In many states, the terms of board chairs are not set in statute and are left to the discretion or bylaws of the board. Nevertheless, terms for some board chairs are too short to sustain assertive and effective leadership. In some states, the chairmanship is an almost honorary position rather than one of active leadership. The national average for the terms of public board chairs has been reported to be three years, but many chairs serve only one year. The same chair has served the Montana board for four years, but the board chairs in Florida and Nevada serve one-year terms, renewable for only one additional term.

Terms for some board chairs are too short to sustain assertive and effective leadership. The national average for the terms of public board chairs has been reported to be three years, but many chairs serve only one year.

Unless boards operate with a clearly understood agenda that transcends the interests of all individual members and clearly articulated succession bylaws, a rapid turnover in the board's top leadership position can presage problems. It hinders a board's ability to focus its attention on long-term initiatives, increases the potential for board members to engage in distracting political jockeying to line up votes for the next election, and prevents the chief executive and board chair from developing an effective working relationship, which is so crucial to the board's success and the institution's or system's well-being. There simply isn't enough time to work together. This is a major concern among presidents and university system executives who see firsthand the negative potential of board leadership being limited unnecessarily.

Most of the board chairs interviewed for this project were exceptional people who made substantial sacrifices of time and income in the service of their institutions or systems. It is unfortunate that some will not be allowed to continue as chairs for a longer period.

PRESIDENT AND CHANCELLOR RESPONSIBILITIES TO THE BOARD

Presidents and chancellors are obligated to provide boards with an orientation to the institution or university system and to ongoing education programs focused on the practice of trusteeship. Although presidents and university system executives assume varying degrees of responsibility for educating their board members, far too often they do not do so to the extent necessary or the extent to which they would like. Time constraints (on executives and board members) appear to be the biggest obstacle to orienta-

tion and education programs. The best intentions to provide orientation and education take second place to the pressing needs of immediate board agendas. One university executive spoke for many in a focus group when he said, "We just don't do a good job of orienting and educating trustees." Another executive added, "My guess is that one of the central causes of ambiguity about trusteeship is the absence of strong leadership and communication by presidents and chancellors." One president who does spend time on board development remarked, "Some presidents want to hold the board at arm's length, and that's a mistake. I take every opportunity to educate them, spend social time with them, and have them get to know faculty and students." Other university executives express similar commitments, but not in the quantity one would hope.

It is common for governing boards to be rather insulated from campus constituencies and to experience difficulty in establishing lines of communication, especially to explore essential conversations about institutional mission and purposes.

Board retreats are excellent venues for educating board members. Even if a full board retreat is impossible to conduct, university executives still can make it a priority to educate the board. "Issue-focused retreats," as one system chancellor described them, can be effective ways to inform and focus board members on a key academic or public-policy issue. During site visits, two chief executives described excellent examples of their commitment to board development. In one, just prior to the start of the formal board meeting, the chancellor and his senior staff conducted a workshop on accountability. The second system executive schedules workshop presentations by outside experts on such substantive issues as information technology, teacher preparation, and student assessment.

Similarly, a number of presidents and chancellors realize the value and necessity of providing timely, sequential information on important issues the board must deliberate—new academic program requests, the plans for a new campus building, or the status of affirmative action programs, for example. Further, they realize their obligation to provide concise information that does not bury the board in irrelevant detail. Written material often is supplemented by information from other sources, including telephone calls, e-mail, presentations by professional experts, and counsel from key staff.

Many university executives see the sound policy of "no surprises" as the centerpiece of open communication with the board; that is, communication between the executive and the board should be sufficiently open, frequent, and candid that neither party ever is embarrassed or caught off-guard by any unknown event, action at a board meeting, or story in the newspaper. Some presidents, however, appear to live by the maxim "what board members don't know won't hurt them or the chief executive."

However, open lines of communication between board members and campus stakeholders have a much greater potential to *solve* problems rather than *cause* them. Presidents and system chief executives should facilitate such communication and designate their office as the principal conduit through which it flows. Open communication channels can help unify a broader range of stakeholders and instill in them a greater involvement in the life of the institution. Many efforts to create meaningful communication among boards and faculty, students, staff, and other key campus constituents were evident in the site visits for this project.

It is common for governing boards to be rather insulated from campus constituencies and to experience difficulty in establishing lines of communication, especially to explore essential conversations about institutional mission and purposes. At one university, board members participate regularly in extensive training programs and leadership development initiatives. All newly appointed board members are asked to join standing committees that deal with such matters as student affairs and buildings and grounds to learn more about the university's daily operations. Board members also are assigned to vice presidents for "shadow" experiences over a period of months to prepare them to lead a press conference about matters discussed at a regular board meeting. In this university, board member education and development are serious matters in which board-administration interaction is continuous.

Distinguishing policy from administration. One of the most important roles for governing boards is to provide policy direction to institutions. Boards should set policy and allow presidents to manage without board interference. Nearly everyone interviewed and surveyed expressed a desire for trustees to understand the difference between policy and administration, but identifying where policy ends and administration begins can be difficult and elusive.

Distinguishing the two functions can be particularly difficult on a university system board. It must balance system policies (which the system chief executive implements) while paying careful attention to institutional policy and oversight (which is a joint responsibility of the system board and system executive). At least for a large system and at the "first level" of policy and oversight, the system executive has some of the responsibility normally reserved for governing boards at single institutions. An obvious implication of this distinction is that the system board members ought to

concern themselves with system matters rather than with institutional matters—even though institutional matters may be quite close to "policy". And yet, it is very difficult for the board to show reticence toward institutional matters, which may be more interesting than system matters. System boards struggle with this balance, sometimes successfully, sometimes unsuccessfully.

During change brought about by budgetary or other pressures, boards may push administrations harder for answers to questions about costs, quality, and productivity (academic-policy issues that can become public-policy issues) and demand to see tangible results of policy implementation. In conversations and meetings, many conscientious board members express a growing realization that institutional change must occur, but they question how hard they can or should press for change and, in some cases, what it should look like. Some trustees wish to insert themselves into institutional decisions more aggressively than others. This kind of activism is appropriate in some cases and inappropriate in others.

Generally, institutional changes occur in those institutions where trust and communication between the board and chief executive prevail. For example, the university system in Montana experienced a major restructuring initiative, which by all accounts is achieving the goals university leaders established. This success would have been elusive without the cooperation, commitment to active participation, and effective working relationships among boards, system administrators, and campus chief executives.

BOARD RESPONSIBILITY TO ITSELF AND ITS MEMBERS

A number of trustees willingly admit uncertainty about their basic responsibilities—what trustees are supposed to do as the guardians of their institutions or systems. This is particularly true for those who serve on boards for the first time. "A job description is needed," said one board member. An administrator who is familiar with a number of boards said too many boards lack a sense of common responsibility. "Individual interests and agendas consume too much time of the board and president," he said. "We need to put the best people on boards—those who understand that leadership involves complex negotiating instead of public confrontations," said another administrator. A governor suggested various states might identify ideal, effective trustees and forward their backgrounds and characteristics to an independent party who would try to uncover common traits.

It can be difficult for a public board to unify as a cohesive policy-making body. Members have diverse backgrounds and different experiences and expectations of a governing board's actual responsibilities and duties. Personal ambitions and open-meetings laws often exacerbate the tensions diversity can create. Many boards have members who get along fine, but the boards do not engage in high-level policy making that benefits the institutions or the state. Others make policy effectively, but do so with split votes and acrimony that have long-term negative effects. An annual board retreat is one good remedy for bringing a diverse group of individuals together as a cohesive body. As noted earlier, many boards fear open-meeting laws will preclude such retreats from being effective or that public criticism will arise from spending state monies on board development, no matter how modest the expenditure. Some boards use workshops around single topics as a partial solution.

Some boards have developed a positive board culture characterized by civility and cohesion, new-member orientation programs, inclusiveness that welcomes and accommodates differing viewpoints, and an eagerness to discuss of the difficult issues facing the institution or system. Two conditions are necessary for this positive culture to develop. First is a firm commitment among members that they serve a higher purpose that supersedes their individual ambitions—a higher purpose to the general public, students, future generations, the institution(s), and the state. Second is a positive working relationship between the board and the president or system chancellor based on respect, candor, and trust. These two conditions are likely to exist when the board contains a core group that demonstrates stability and experience, adds value to the institution or system, and is able to recruit replacements to the core as its members depart from the board.

Many conscientious board members express a growing realization that institutional change must occur, but they question how hard they can or should press for change and, in some cases, what it should look like.

Individuals who have emotional ties to institutions or specific programs sometimes are appointed to boards. However, these ties are insufficient justification for board service. More important criteria are the ability of individuals to be exposed to the broader issues their institutions confront and to be engaged actively and willingly in discussions to resolve those issues. Effective boards build understanding of key issues over time. Knowledgeable and experienced members approach decision making by preparing themselves through workshops, retreats, hearings, and other formats that encourage them to develop and exchange ideas and reach reasoned consensus. They understand that developing informed perspectives before making decisions may be the

most important contribution they make to developing an effective board. And they understand that "perspective" means gaining an understanding of an institution or system's fit into the broader context of a state's higher education agenda.

Achieving this "nonparochial," big-picture perspective requires a carefully developed mix of board leaders who have deep understanding, great foresight, broad experience, high stature—and little commitment to the status quo and institutions as they exist. Nonparochial views allow board members to learn the policy history of higher education in their states and to understand how important policy choices have affected "who benefits/who pays" decisions. These understandings are also important to state leaders. Perhaps, they present ways for boards and state leaders to work together to find effective and legitimate solutions, and help call a halt to the "stop-start" aspects of the decisions too tinged with ideology.

Board leaders have a right and obligation to ask for data and information they need before they make commitments.

Some boards essentially are expected to make uniform decisions more often than a good trustee would consider prudent. Other boards rely heavily on carefully developed "staff" reports that emerged from tightly controlled (not necessarily balanced or sound) processes. And still other boards are well-informed about issues as a result of a sequential process that presents them with perspective, data, options, and recommended courses of action prior to any decision or vote. While the process of informing and providing staff support for board agendas traditionally is a function of the institution's president and his or her staff, it is equally the responsibility of board leaders. They have a right and obligation to ask for data and information they need before they make commitments. From absorbing reliable, timely information, boards can focus on larger questions of policy and work to understand issues in their full complexity. Too often, however, board agendas become loaded down with minutiae about contracts, appointments, and other operational issues that would be handled more productively by delegating them to management. State law requires some boards to vote on issues that are largely ceremonial or trivial and better handled through consent agendas, as many boards successfully have done.

Just as there are positive aspects of a board culture, there are negative ones too. Throughout this study, the researchers heard of many good people who tried to do the right things but fell short for reasons beyond their control: unstable governance structures, intrusive laws or bureaucracy, intransigent faculty, politicized behavior, and insufficient resources to get their jobs done. In other cases, the board was unable to

deal effectively with today's problems (to say nothing of tomorrow's) either because the board had too few members or the talents of good people were often shadowed by the shortcomings of others. Ironically, some board members attribute too much personal importance to their trusteeship, viewing their appointments as the greatest achievement of their lives and a source of perquisites rather than an opportunity to serve society and the institution. Many of these same trustees may not have the professional or life experience to help oversee a large, complex enterprise, and others have a tendency to meddle or micromanage. And as noted earlier, others may see trusteeship as a stepping stone to higher public office.

Unwillingness of the board to discipline its own members. One president astutely declared, "The board has to deal with its own members and in that sense be accountable. They have to police each other and set standards for behavior." This observation was echoed by others, but too often complaints like the following surfaced: "It is impossible for our board to discipline itself."

Colleges and universities—public and private—form a network of cultural resources that exist for multiple purposes, and a primary one is to educate. When that purpose becomes subordinate to power struggles, empire building, and personal competition, the citizens of the state are being short-changed on their investment. It probably is too much to ask that individuals completely set aside their personal agendas, beliefs, and emotions, even when they act in a public trust role. But the most glaring failures are those in which personal pride and ambition become entangled in decisions about how best to educate a state's citizens.

It is vital that the board speak with one voice, as one body, through its chair or other designee, not as a collection of individuals, no matter how many independent, differing opinions may exist on a policy matter. A former president stated, "Too many trustees confuse their own, individual role with that of the board of which they are a member. I found that I had to keep reminding them over and over again that I worked for the board of regents, not for a single regent. We lack any systematic way to make the press and public recognize that they are not speaking for, or representative of, the board."

Boards may be called upon to demonstrate great discipline and courage to override individual members or institutional officers who divert attention and resources

away from the honest, efficient pursuit of the people's interest in high-quality education for the state's citizens. Boards are charged with protecting the public trust, and that trust must be executed freely and honorably. Board behavior and actions always should serve as a model for campus behavior elsewhere. Trustees can and should be held accountable for poor decisions or dishonest action, but they should not be asked to take actions in which they do not believe or that are improper. They should be protected and immunized as far as possible from such intervention in their work—whether that intervention comes from within the institution or beyond its walls. It is the board's responsibility to set the standards of ethical behavior by adopting a code of ethics and a statement on conflict of interest and disclosure. Governors and presidents can ask for resignations over improper behavior, but only the board can police itself and bring stray members in line or censure them if necessary. The board's inability to discipline itself not only leads to ineffectiveness, it also can create an untenable position for the president.

CONCLUSION

Board members continually must refine their focus, knowledge, growth, and development by way of a planned, progressive expansion of each individual member's responsibilities and exposure to institutional realities. State policy makers, university executives, and senior board members must provide less experienced members with such opportunities to grow. In this way, the skills and experiences of all board members are complementary, even when senior board members conduct board-education programs that inevitably are filtered through their individual biases and perspectives.

As previously noted, many able, qualified people are passed over or do not step forward to serve on governing boards, and many boards do not retain the qualified, high-caliber trustees who currently serve. Politics of the selection process play some role, but some observers say a general decline in civic responsibility throughout America also contributes to a dearth of high-caliber trustees. Business, community leaders, and other prominent citizens simply turn away from serving on public higher education boards. Open meetings, constrained decision making, excessive public disclosure requirements, and public fights, in addition to the time and effort requirements, make public trusteeship an unattractive civic activity for many. One current chair said, "You want to feel that you are doing something good for the state and the students. I don't

any more. Rather, I get a sick feeling in my stomach because of the hassles. I won't seek a second term. I don't have that feeling of fulfillment that I have in my business."

Those who currently serve deserve all of the accolades society can give them. But as part of their overall civic responsibility, they have an additional obligation to higher education beyond their time and energy sacrifices. That is to approach and encourage others to serve, suggest and recruit individuals for vacancies, and help cast a wider net than is being cast currently in many states.

Following are the major observations and conclusions of this chapter:

1. Open-meeting laws in many states impede the ability of boards to function effectively. The inability to discuss issues candidly, recruit presidential candidates effectively, and hold board retreats to build cohesiveness and set strategic direction diminishes board effectiveness.
2. Trustee orientation and education programs need to be strengthened. Non-existent or weak programs contribute to a lack of clarity about trustees' basic roles and responsibilities, incivility, and a lack of board member cohesion.
3. Many public university boards—whether single institution or multicampus—are too small to conduct the business of today's modern university efficiently and effectively. In many places, an increase in size is desirable.
4. Many presidents and chancellors are inadequately prepared to work successfully with governing boards. Similarly, faculty and governing boards often misunderstand their respective essential work and purposes and do not communicate well with one another.
5. State political leaders desire strong and effective governing boards, and forward-thinking leaders create a positive environment for public higher education in which governing boards can exercise the authority and responsibility granted to them to oversee institutions and foster positive change.

CHAPTER SIX

Conclusions and Recommendations

Nearly all participants in this project expressed their overwhelming support for citizen governance of public colleges and universities through lay boards of trustees, and they reconfirmed their feelings of goodwill for public higher education. But such support and goodwill cannot conceal serious problems with trusteeship and governance.

This study substantiates the work of Clark Kerr and Marian L. Gade, published in *The Guardians: Boards of Trustees of American Colleges and Universities—What They Do and How Well They Do It* (AGB, 1989). Kerr and Gade concluded that public higher education governing boards have mixed report cards, given the difficult internal and external political environments in which they must function. Further, this study supports the conclusion of the distinguished national Commission on the Academic Presidency: that something is fundamentally wrong with the way public colleges and universities are governed today.

The institution and tradition of lay citizen trusteeship in public higher education is not functioning as well as it should. Without appropriate and timely intervention, the governance of public colleges and universities may become anachronistic in some states and dysfunctional in others. These states must reexamine and revitalize citizen trusteeship if the institution is to remain viable and respected.

The major stakeholders urgently must work together to bring about change and reform. In particular, they seriously must reexamine who should participate—and how—in key decisions that affect the strategic direction of a diverse group of tax-supported colleges and universities that have complex and varying missions.

Tensions between state government officials and public college and university

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leaders are growing at an alarming rate in many states, well beyond normal and expected levels of frequency and consequence. Certainly, some tensions are inevitable and healthy; they are part of our political democracy and often lead to the best possible outcomes over time. Today, however, the nation is witnessing the beginning of the decline of the public university's capacity to do its job well. A crisis of confidence and trust is unfolding as voices become more shrill, and the process of resolving conflict grows more ideological. We need to try something different—and soon.

Trustees and regents today must cope with many confounding ambiguities. Political leaders and other stakeholders inside and outside academe send board members mixed signals, make vociferous demands, and convey conflicting expectations. State legislation often does not clearly define the board's responsibilities or those of individual trustees. Consequently, trustees are uncertain about their appropriate roles, and few states offer orientation programs and development opportunities.

Without appropriate and timely intervention, the governance of public colleges and universities may become anachronistic in some states and dysfunctional in others.

Public institution trustees generally are selected by politically partisan processes that do not embrace clear, explicit, and widely accepted qualifications. As public officials, these board members must work in the open—a condition for which many are unprepared—under inconsistent open-meeting laws. Legislatures and governors often ignore board judgments or create legislation to circumvent their decisions, undermining their policy-making authority. Some boards (and their chief executives) have only themselves to blame for being undermined on academic policy because they miss opportunities to demonstrate political acumen and policy leadership when it is most needed. Nevertheless, most trustees have been holding their own reasonably well in spite of the odds, if the absence of serious crisis is a mark of achievement. Most take their responsibilities seriously and work hard to be effective, despite the obstacles.

In the future, however, public governing boards will have to perform better. As one project participant said, "The world is changing faster than the governance system can accommodate. Changes of great magnitude are coming so quickly that governing boards have been bypassed as a de-facto matter. Whether they can act effectively in this environment is an open question."

How is the environment changing? The emergence of new technologies and changing demographics is placing public colleges and universities in a more competitive environment. Some may form partnerships or build strategic alliances to stretch resources or reach new student markets. Others may attempt to mitigate the forces of

competition in the name of stability and political balance, state coordination, consortia, and cost control. In any event, uncertain public revenues, changing student profiles, and a technology-driven revolution in teaching and learning will require governing boards to assume a more central role in setting policy direction for their institutions. To fulfill such a role, their members will have to think and act strategically, set aside their own differences, and in many ways, change the way they conduct their business. But they cannot accomplish this in isolation. Other parties—elected officials and university leaders—also will need to change, as will various laws, policies, and practices.

Engaged coordinating and governing boards can bridge the gap between the state and the institutions while helping to forge the link between the state's agenda and its plans for higher education.

Substantive discussions on these topics will not happen naturally or easily. Yet such scrutiny must take place both at the national and state levels. Governors, legislators, board members, presidents, chancellors, and commissioners must talk openly and honestly about what changes are required to chart public higher education's course.

The foregoing presupposes that a closer relationship between states and their public higher education systems is desirable, even in the face of uncertain or declining shares of state revenue. Many political and higher education leaders have not clearly articulated the link between the long-term needs of the state and the performance of higher education. (Some states have done so: California historically, North Carolina, and most recently Kentucky.) Annual budget requests, state higher education master plans, and institutional strategic plans invariably attempt to tie the welfare of the state to that of the state's higher education system. But in many states, attempts to link higher education to a state strategic agenda fails to engage state elected leaders, let alone average citizens, and is heavily dominated by institutional viewpoints.

Clearly, the lack of a strategic vision can lead all parties to take a short-term view. A state strategic agenda jointly developed by key elected and higher education leaders that transcends the political terms and party affiliations of state elected leaders can lead to a public agenda for higher education. Board, system, master, and institutional strategic plans and missions then can be aligned with the public agenda, so that all parties are working toward common goals.

Engaged coordinating and governing boards are a critical part of this strategy. They can bridge the gap between the state and the institutions while helping to forge the link between the state's agenda and its plans for higher education. These boards can help ensure the public agenda meets the needs of the state while it also protects and enhances long-term societal interest in the state's higher education institutions.

RECOMMENDATION

The Association of Governing Boards of Universities and Colleges proposes a national collaborative effort among the major national state-based organizations and higher education associations to address the issues identified in this report. The effort would initiate discussions at the national level to sharpen mutual understanding of the common problems and then quickly would proceed to the states to encourage a reform agenda on issues concerning governance and trusteeship, in addition to others particular to individual states. At the national level, the major organizations and associations would collaborate on programming to engage their respective constituents, who then would work together at the state level to bring about appropriate change and reform.

The collaborative effort would have three goals: (1) to help education leaders and state government officials address issues affecting the governance of public colleges and universities and the societal needs and educational aspirations of their citizens, (2) to strengthen the leadership and performance of public higher education boards and their members, and (3) to forge more effective relationships between state-supported academic institutions and state governments.

The following would be the main objectives of the effort:

- To facilitate communication and understanding among governors, legislators, board members, and chief executives on how the work of academic institutions can help address state priorities and needs and how effective governance is necessary to meet those priorities and needs.
- To enable boards and their members, as well as legislators and governors, to grasp more effectively the "big picture" issues regarding higher education and its governance in a rapidly changing environment.
- To help individual states, as they identify their strategic goals, to articulate their expectations within a public agenda for higher education and to assess what constitutes the most appropriate governance structure to meet those expectations.
- To identify "best practices" in higher education policy making.

At the national level, the scope of the dialogue might be framed by considering these fundamental questions:

- Is there consensus on realistic and appropriate expectations and roles for citizen trustees and lay governing boards? What changes in law, policy, and practice might

better enable public college and university trustees to perform their roles more effectively?

- Can boards effectively serve the public interest by bridging higher education institutions and state government while strengthening the relationship between the two? As citizen governance currently is conceived, structured, and practiced, how can it meet the new expectations awaiting higher education in the future?

If citizen boards are the best means of governance and the best alternative to direct control of public higher education by state government, then reforms are necessary to help these boards fulfill their mandates.

Greater focus on such questions at the state level is essential. If citizen boards are the best means of governance and the best alternative to direct control of public higher education by state government, then reforms are necessary to help these boards fulfill their mandates. Several structural changes will enhance the capacity of boards to perform well: more attention by elected leaders to trustee selection, modest revisions to open-meeting laws, enhanced in-service education and orientation programs for new board members, close attention to the size of the board relative to its duties, recognition of the overlap in policy-making authority between boards and state legislatures, and more experimentation with different models of governance, citizen trusteeship, management.

Attracting elected state political leaders, academic boards, and chief executives to work more collaboratively in pursuit of a mutually agreed-upon public agenda for higher education while respecting their different purposes and responsibilities will be critical.

Leaders of national organizations, state governments, and higher education have a societal obligation to preserve and strengthen American higher education by strengthening its trusteeship and governance. The collaborative effort described here will enable public governing boards and the institutions they oversee to be better prepared to confront the major issues likely to transform higher education. The Association of Governing Boards looks forward to working in partnership with the major state-based organizations and higher education associations in this endeavor.

APPENDIX A

Methodology and State Site Visits

Purpose: The purpose of this project was to identify the expectations state policy makers and higher education leaders hold for governing boards of public institutions and systems, to identify the problems and challenges these boards face, and to build a foundation for a subsequent strategy to achieve reform and improve public-sector governance in higher education.

Focus of the project: The project focused on the 50 states and examined senior-level college and university governing boards, with the exception of boards that govern both two-year and four-year institutions. The project focused less on the influence of governance structures on the achievement of state priorities and more on the expectations and performance of boards under their existing structural arrangements—whether the boards governed many institutions or just one. The study also focused on governing boards and not state coordinating boards, although the latters' roles were recognized throughout.

Site visits: Colorado, Florida, Illinois, Mississippi, Montana, Nevada, and New Jersey were selected for site visits because of their emerging higher education policy challenges, geographic location, demographic diversity, higher education structure, and leadership configuration in higher education and in state government. In the interest of achieving comparability across the states, interviews were conducted with policy makers and higher education leaders holding similar positions in each of the seven states. These individuals included governors and their aides, legislative leaders, legislative staff, chief executives of universities and systems, governing board members, executives and board members of state coordinating agencies, and faculty leaders. The individuals interviewed in the site visits are listed in Appendix C.

The interviews were organized around the following questions:

- What is the long-term strategic agenda of the state, and where does higher education fit into it?

- What do governors and legislative leaders expect of public higher education governing boards?
- To what extent are governing boards meeting these expectations?
- What are the challenges facing higher education, and to what extent do governing boards have the capacity and willingness to meet these challenges?
- What are the problems and obstacles governing boards face in carrying out their trusteeship duties and responsibilities?
- What changes in structure, role, and process would help governing boards represent and support their institutions more effectively?

Interviews were conducted in person, although a few were completed by telephone. For each question, follow-up queries explored more specific problems confronting governing boards on such matters as board size, staff, leadership issues, and policy-making relationships with other key stakeholders. Each interview lasted approximately 45 minutes. Most interviews were transcribed or summarized in writing within two days. Each researcher prepared a written description of each state, a report of the interview results, and a list of all interviewees. The purpose of these initial summaries was not to prepare case studies of individual states but rather to(1) represent the views of policy makers and higher education leaders; (2) identify the activities, challenges, and problems facing governing boards; and (3) assess the extent to which these boards were meeting their expectations and challenges.

Focus groups: Ten focus groups were conducted with members, staff, policy makers, and educational leaders of key national organizations. These focus groups included the American Association of State Colleges and Universities, the Association of Governing Boards of Universities and Colleges, the Education Commission of the States, the National Association of State Universities and Land Grant Colleges, the National Conference of State Legislatures, the State Higher Education Executive Officers, and the Western Interstate Commission on Higher Education. The questions asked during the focus groups were similar to those in the site visits. The individuals who participated in the focus groups are listed in Appendix C.

Survey: Educational Systems Research in Littleton, Colo., conducted a national survey of legislative leaders and governors' education aides. The results of the survey appear in Appendix B.

Additional information for this project came from interviews with selected individuals who did not participate in the focus groups or site visits, discussions with the advisory group, and the authors' own experiences. By the project's conclusion, 250 state policy makers, advisers, and educators representing 44 states were interviewed and surveyed.

Research team and instrumentation: In addition to the project chair and an advisory committee of 11 national leaders in higher education and the public sector, the research team consisted of AGB staff, professors with experience in higher education policy studies, a researcher with experience in national surveys of policy makers, and other experts who participated in selected state visits. The team met with the project chair and the advisory committee, as well as independently, to construct the interview schedule and protocol.

Data analysis: Five major themes (appearing as chapters 1-5) and 18 major observations emerged. This process was an inductive one, involving tentative identification of themes and observations based on the approximately 500 pages of narrative reports from the interviews. The research team and project advisory committee identified and analyzed the themes and observations and examined them after the chapters of the report were prepared. The purpose was to determine if the themes and observations could meet critical examination in light of the data generated by the interviews and the state site visits.

APPENDIX B

Opinion Survey of State Legislators and Governors' Education Policy Advisers

The Views of State Political Leaders on Strengthening Public University Governance and Trusteeship

by Sandra S. Ruppert
Educational Systems Research
June 1997

AGB commissioned Educational Systems Research in Spring 1996 to conduct an independent and impartial opinion survey of state legislators and governors' education policy advisers as a component of the project on *Strengthening the Relationship Between State Government and Public Higher Education by Reforming Citizen Trusteeship*. The survey's primary objective was to gain a deeper understanding of state legislators' and governors' education policy advisers' views related to (1) their expectations of public university governing boards and how well boards are meeting these expectations, and (2) the principles that should guide the composition, selection, and responsibilities of public university governing boards. This report describes the survey results.

The survey findings are drawn from in-depth, first-hand interviews with selected state legislators and governors' education policy advisers—collectively referred to in this report as *political leaders*. The sample includes 25 current state legislators in 18 states and nine governors' aides in Alabama, California, Iowa, Maryland, Massachusetts, Michigan, Minnesota, Pennsylvania, and Washington. The findings are intended to supplement the extensive base of project-related information gathered over the course of the past year during state site visits, focus groups, and personal conversations with governors, state legislators, university and system chief executive officers, trustees, and other interested parties.

In brief, the study methodology was as follows: All interviews were conducted by telephone during a four-month period from December 1996 through March 1997. A 12-question interview protocol structured the "focused conversation," which covered a wide range of topics related to public university governance and trusteeship. We provided the list of questions in advance if interviewees wished. Additionally, and perhaps

most importantly, we conducted all interviews one-on-one with selected political leaders. A basic premise of this study is that the way in which individuals (in this case, legislators and governors' aides) discuss issues and concerns in their own words provides critical clues to their perceptions of underlying problems and their likely actions toward potential solutions. (Attachment 1 contains a copy of the interview protocol. The list of political leaders interviewed for this study appears in Appendix C.)

By design, the group of 34 state legislators and governors' aides is not a representative sample. We purposefully sought the views of legislators their colleagues in the state policy or the higher education communities considered to be among the most knowledgeable, insightful, or influential on matters relating to public university governance and trusteeship. Another key consideration in determining our sample of state legislators and governors' aides was the desire to include a broad and interesting mix of political perspectives, governance issues, and state contexts.

CITIZEN GOVERNANCE OF HIGHER EDUCATION IN THE 1990s

The state legislators and governors' education policy advisers we interviewed overwhelmingly support the concept of citizen (or lay) governance of higher education. Although they may not always agree with the actions of a particular board, state political leaders say our nation's unique system of higher education governance, which vests authority for key policy decisions in the hands of independent and nongovernmental citizen boards, is essential to protect institutional autonomy and balance the interests of the public with the values of the academy. For many political leaders, a board's value is never more clearly demonstrated than when high-profile issues (such as changes in admissions standards or tuition increases) or periods of crisis or controversy (such as affirmative action or "free speech" issues) challenge the institution's integrity and autonomy. Says one legislator: "Things could change very rapidly unless there is a clear understanding that there is a very legitimate, *valid* citizen board, that truly is representative, that is overseeing all this, and then can speak with a voice of authority, and people trust it."

These days, when it seems much of what higher education does is either high profile or steeped in controversy, the need has never been greater for effective public university governing boards that—to paraphrase our interviewee—capably oversee campus matters and speak with the trusted voice of authority. Yet most political

leaders we interviewed think boards are not performing effectively enough to meet the current conditions and significant challenges that confront higher education. While recognizing that political leaders' responses vary according to their individual experiences and particular state context, a consensus opinion is that public university governing boards and trustees need to exercise stronger leadership, a deeper engagement with the internal and external constituencies they serve, and a sharper focus on their board roles and responsibilities.

Political leaders offer a wide range of compelling reasons for their views. When asked about higher education's contribution to their state's strategic needs, they spoke of its many critical roles: as the engine fueling the state's economic development, as a partner in a "seamless education system," and as a force in fostering debate on important social issues. At the same time, political leaders are acutely aware of the unresolved conflicts that threaten to limit higher education's capabilities to be responsive. Among them: state fiscal constraints and the increasing costs for higher education, a changing and more competitive market for educational and research services, and lingering questions about academic quality and administrative efficiency.

An underlying worry of many political leaders is that if public colleges and universities do not act quickly and decisively to make the internal organizational and structural changes necessary to respond effectively to these conflicts, their institutions will be unable to compete or, worse yet, be deemed irrelevant. "Their inability to change will be their downfall if they don't respond," a senate majority leader cautioned. He and several others referred to the growing number of nontraditional providers of postsecondary education, such as Motorola University, the University of Phoenix, and the Western Governors University, that already are putting pressure on the traditional system. A senate higher education committee chair said, "We don't want higher education to be in isolation; it must be more involved so we can make the state stronger."

There is yet another reason public university governing boards must join with presidents or chancellors and faculties to respond to the concerns of external constituents. Most state legislatures and governors are unlikely to be passive while public higher education appears to founder. Many political leaders, including some we interviewed, already have intervened in matters traditionally considered within the domain of board responsibility when they perceived a void in institutional leadership. Being

an effective steward of the public trust means public university governing boards must take an active and visible leadership role. Higher education, according to those we interviewed, has become too complex in its internal operations and too important to our nation's economy and our societal well-being to warrant less.

Against this backdrop, this report examines political leaders' perspectives and opinions about public university governance and trusteeship. The remainder of this report comprises four sections that correspond with four of the five themes introduced in the main body of the report. In analyzing the responses of political leaders, we found these themes provide a useful framework for describing the concerns and issues raised during the course of our interviews. The four themes are *Serving the Public Interest, Navigating a New Political Environment, Balancing Board Responsiveness with Policy Independence,* and *Removing Obstacles to Effective Public Trusteeship.*

SERVING THE PUBLIC INTEREST

The responsibilities associated with "serving the public interest" can present a conundrum for members of public university governing boards. They are expected to serve as both "buffer and bridge" between the institution or system they govern and the community at large, all the while maintaining a high degree of independence and objectivity. In recent years, the task has become even more challenging as the higher education enterprise has become increasingly complex and as political, economic, and social forces trigger changes. Although they laud trustees' commitment to serve, most political leaders we interviewed perceive the public university governing boards in their states have difficulty successfully balancing their dual roles. Part of what is missing, they say, is a "big picture" perspective and a sharper focus on the things that matter.

The following points highlight some of the related findings from our conversations with political leaders.

Virtually every political leader we interviewed agrees that governing boards must balance their roles as advocates for the institution and as guardians of the public trust. Most do not think the public university governing boards in their states are achieving an appropriate balance. They say boards are favoring the role of institutional advocate at the expense of "guardians of the public trust." This sentiment applies to how boards generally relate to their external constituencies, but it is strongest when

political leaders perceive a board is deferring on a matter of significant public consequence. For example, several political leaders stated that boards too often simply pass on to students and their families the growing costs of higher education through tuition and fee hikes without adequate evaluation or discussion. A governor's policy adviser recounts, "I've seen the governor ask the appointees to read behind the numbers, read behind the rhetoric, and ask the tough questions."

For a smaller (but not mutually exclusive) group of political leaders, public university governing boards fail as effective institutional advocates when they rubber-stamp administrative policy decisions or micromanage the institution. They underscore the need for boards to focus on policy issues and leave the day-to-day management decisions to the administration. In finding the appropriate balance between the two, one governor's policy adviser offered this perspective: "I visualize it as a spectrum, and you have to balance the extremes of regulation and advocacy. You can't be an advocate who's blind to problems that need to be solved. But you also can't be so strongly regulatory that you hurt the institution or the morale of the people involved."

Many political leaders suggest a "big picture" perspective is needed to serve the public interest effectively. Several political leaders used the phrase "the big picture" to refer to a perspective that recognizes higher education's central place in society. Unfortunately, they say this perspective too often is lacking among board members. Higher education has an increasingly preeminent role in meeting states' strategic needs for an educated citizenry, and it contributes to economic development, work-force training, and K-12 education.

A big-picture perspective also is necessary to understand the complexities associated with steering a "multibillion-dollar business," as one legislator described the higher education enterprise—especially one beleaguered by access, cost, and quality concerns. As this political leader suggests, maintaining a nonparochial view of higher education's place can help boards focus better on the things that matter. The chair of a state senate higher education committee derided a board member for discussing the planting of flowers on a particular campus. "That was probably not a big picture person. My most frequent criticism about college presidents, and it probably could be the same for board members, is that I want them to know more about what's going on off-campus than on-campus."

While most political leaders say board roles and responsibilities have not changed substantively in recent years, many underscore the need for boards to take a broader, more visible, and in some cases, more active approach to carrying out their charge. A big picture perspective might entail extending the flow of information beyond conventional channels—"reaching outside one's comfort zone to gather information," is how one legislator put it. For another, this is not only a desirable trait but an essential quality for serving effectively on a public university governing board. "The most important thing I look for when I screen regents is whether they have the ability to reach out to other perspectives." He added, "I think you need all those perspectives to make good decisions." Several voice serious concerns about the loss of a broader perspective when boards become dominated by single-issue trustees or by those who arrive with a specific agenda.

NAVIGATING A NEW POLITICAL ENVIRONMENT

A state's political environment can affect how political leaders view their relationship with the board and individual regents or trustees. Particularly since the 1994 elections, many political leaders sense partisan politics are at the root of a greater number of ideological and philosophical clashes among governing boards, university administrators, and state policy makers. One place where politics can play a prominent role is in the trustee-selection process. In the vast majority of states, members of public university boards are appointed by the governor and confirmed by the state senate. Few political leaders had complaints about the basic structure of this selection process. They are considerably more concerned about how the process actually functions in their state and in the actions of certain board members once they are appointed.

Additional observations based on our interviews with political leaders:

Political leaders generally hold higher education in high regard and say they enjoy a mutually respectful, if not always satisfactory, relationship with their state's governing boards and public higher education institutions. Political leaders we interviewed spoke in uniformly positive terms about the overall integrity and caliber of individuals who serve on public university governing boards. Many note that most board members are "working at their jobs longer and harder." Where perhaps once it was more likely that serving on a board was "a plum of just the rich and famous."

trustees or regents now are expected to bring greater experience and competence to their roles. Although they may appreciate an individual board member's personal and professional experience and commitment to serve, political leaders do not always trust the board's collective judgment or agree with its decisions.

Political leaders tend to be satisfied with the basic structure of the trustee-selection process in their states when it involves governor appointment and senate confirmation. By and large, they agree that appointment is a better means than election for selecting effective and qualified board members. An education committee chair from a state where public university board members are elected had this to say about the limitations of the election process: "There are very few citizens who have an awareness of the issues and the candidates....In reality, a regent can be elected by a very small number of people who have an interest in that regent."

Governors' sources of information for guiding their selection of appointees vary across states but can include personal knowledge, informal recommendations from others, or a formal nominating committee that forwards names to them. Some governors take an active role in interviewing candidates about the challenges that await them. One governor's aide told us the governor questions prospective board members directly about specific issues as they relate to higher education. Often, governors are seeking appointees who share their agenda for higher education reform. Another governor's policy adviser noted that among the qualities they look for in appointees is "an advocate for what the governor believes ought to be the changes and the focus of higher education." In this case, it was a managerial focus on "trying to do more with less."

In theory, a confirmation hearing should be a time for constructive engagement between state policy makers and board candidates; in reality, it does not always work that way. Despite the comments of most political leaders that policy makers generally seem to be taking their responsibility for appointing or confirming board members more seriously, several legislators spoke in favor of greater scrutiny of appointees. One called the confirmation process "a formality," and another referred to it as "a joke." But a governor's policy adviser noted that serious political repercussions occurred in his state when the senate questioned the governor's appointments.

Legislators, more than governors' aides, worry about appointments being based on a candidate's ideology rather than on experience or competence. Most have encoun-

tered trustees or regents who are "beholden" to specific interests—the governor's, an institution's—or who have their own personal agenda. Some attribute the rise of single-issue trustees to the current political climate. Said one legislator: "They generally are being appointed out of some context in which they've had some concerns, and I think they tend to pursue those concerns once they get on the board."

Many political leaders from both parties believe the trustee-selection process has become more politicized at precisely the time it needs to be based more on merit. As one legislator put it, "There's always an edge of politics to it all." But although politics and the practice of "payback appointments" may be unavoidable, selections must be made with "the best educational interests in mind." Determining who should decide what is in the state's best educational interests, however, can be a topic of considerable controversy. Some experienced political leaders say an advisory or nominating committee responsible for recruiting, screening, and recommending board candidates can help depoliticize the selection process:

"We have something called the Public Education Nominating Council," said one governor's education policy adviser. "Business people, educators, and others come together and take nominations from the campuses themselves, from business leaders, from legislative leaders, and from the governor's office and then make recommendations to the governor about who should be appointed to those boards. Generally, they give the governor two or three options for every position at a local board level. And that process by which we both recruit and screen, is a healthy one, and generally we get better candidates as a result."

BALANCING BOARD RESPONSIVENESS AND POLICY INDEPENDENCE

In recent years, state policy makers have pressed for increased institutional accountability, often as part of larger state efforts to "reinvent" higher education. For many policy makers, an enhanced system of accountability is the key to balancing the forces of board responsiveness and independence. The new accountability policies of the 1990s reflect the view that higher education needs to be more responsive to current conditions and state priorities and more publicly accountable to a broader, primarily external constituency that includes students, employers, parents, and the general

public. If politics is about actions based on ideologies and perceptions, the new accountability is about actions based on performance and results.

New accountability policies also have created new expectations for how public university governing boards should carry out their roles and responsibilities. By and large, political leaders expect boards to assume a stronger leadership role in helping the institution or system they govern achieve greater budgetary efficiencies and improve academic quality and effectiveness. When political leaders' heightened expectations for board leadership do not match their perceptions of board performance, governors and legislatures sometimes respond with more intrusive measures of their own.

Some associated findings from our interviews with political leaders follow:

In the majority of states, political leaders report changes in higher education governance are or recently have been a state policy issue. In some cases, political leaders clearly have grown frustrated with higher education's unwillingness or inability to respond to their calls for internal reform. The state legislature in one state, for example, reorganized its entire higher education governance system because, as a legislator who was instrumental in the process told us, "Higher education was incapable of change on its own." Further, he remains unconvinced that the public university governing board is doing its job "to at least challenge the systems to change and provoke them into thinking about how they fit into this ever-changing society."

In most cases, however, political leaders have offered as part of the reorganization bargain a *quid pro quo*: greater institutional autonomy in exchange for increased public accountability. A senate higher education committee chair from another state that recently overhauled its system for governing and financing its public colleges describes the arrangement this way: "We have communicated to the university: If you want autonomy, we need a definition of where you want to take the university system." In addition, as part of a tradeoff for the university system establishing a process to benchmark their performance relative to certain outcomes, the legislature was willing to provide the system with greater funding flexibility by shifting from a line-item to a lump-sum appropriation. Confusion can arise, particularly in multicampus or consolidated systems, as to where the responsibility for setting outcomes resides. A representative from a state composed of multicampus systems noted this dilemma and offers some words of advice for governing boards: "I haven't decided who is best to deter-

mine what the outcomes should be for public higher education in the state. Should it be governing boards, or should it be the legislature, which has a broader view of what is best for the whole state? Frankly, if I were on a governing board, I would ask my legislature, 'What is it you want from us?'"

This accountability-for-results or "results based" approach to governance is not unique to higher education, by any means. Political leaders stress that other public and private entities are restructuring their organizations to improve performance. "The public is less and less sympathetic to government entities' cry for more dollars," a governor's policy adviser told us. "Governing boards are becoming more sensitive to public demands that institutions of higher education bring the same rigorous performance standards to their own domains that are happening in every other walk of life and in every other business."

Because funds for higher education are shrinking, political leaders are challenging institutions and their governing boards to create greater budgetary efficiencies while improving academic quality and effectiveness. Although the economy is on the upswing in many states, nearly every political leader we interviewed reminded us that higher education faces stiff competition for state funds from such other state funding priorities as corrections, health care, and K-12 education. At the same time, they are reluctant to support large tuition-and-fee increases for fear of alienating an increasingly cost-conscious public.

One consequence is that many political leaders expect governing boards to play a key role in helping colleges and universities generate revenue from sources other than tuition and state appropriations, such as grants, endowments, or gifts. Another consequence is that they expect boards to provide the leadership necessary to ensure that the public money the institution receives is spent wisely. In the words of one governor's policy adviser, "More money doesn't cut it. There must be something to show for what the taxpayer puts in and assurances that higher education is using the money to the best of its ability by providing education at an affordable price."

In addition to giving more attention to its fiscal-oversight role, most political leaders also underscore the board's role in providing greater academic oversight. "The greatest challenge [for governing boards] is identifying and sticking to its mission, and not letting institutions try to cover everything for everybody," said one state legislator.

Adds another: "I don't want somebody serving [on the board] who is shy about asking questions about academic standards and quality and how these things relate to and reinforce the mission of higher education."

For many we interviewed, being "mission driven" means boards may need to become more involved in making tough decisions to eliminate unnecessary programs or to redirect funds to higher priority areas, such as information technology—even though such actions may be unpopular with some on campus. "What does 'holding the system accountable' mean?" asked the chair of a House higher education committee. "Tell me what your mission is in two sentences, and then tell me how you are measuring that mission. And if you are doing that, then I think you may be holding the system accountable."

The board's relationship with the chancellor or president is key to balancing institutional autonomy and public accountability: Establish the ground rules, then provide the flexibility to get the job done. Nearly everyone we interviewed discussed the board's critical and essential "core" responsibility to choose a capable president or chancellor and then support and reinforce his or her decisions. Political leaders voiced virtually unanimous support that, to the extent possible, governing boards should leave the day-to-day management of the campus to the administration. That does not mean, however, that boards should be passive supporters: Several political leaders suggested boards must play a key role in informing the decision-making process by providing the administration with the perspectives of external constituencies. Boards also must not shirk their responsibility for holding campus or system executives accountable. One senate education committee chair was succinct in offering his advice: "If you don't have a good president, fire him and get someone else. Boards don't need to manage the institutions; they need to hire presidents who can."

State legislatures and governors have "punished" and "rewarded" public university governing boards, but most political leaders say they are trying to take a "results based" approach. Be clear about the state's expectations, they say, then hold the board accountable for the outcomes. In *The Guardians*, published by AGB in 1989 and based on an extensive study of public university governing boards, authors Clark Kerr and Marian L. Gade found that board authority and effectiveness has been subject to ero-

sion over time—a finding they attributed in large measure to an increase in direct public control by state legislators and governors. Eight years later, our interviews show that direct government intervention into governing board matters is an issue still very much alive within our survey states.

Political leaders we interviewed recounted many instances in which governors or state legislatures stepped in quickly when they perceived a board had failed to provide effective leadership on an issue they considered important. In some cases, political intervention occurs because of "mixed signals" about where responsibility appropriately resides; in others it is due to a failure to communicate about state priorities.

Yet even when signals are clear and everyone understands the priorities, state policy makers sometimes usurp the board's authority. One house higher education committee chair concedes: "We select these folks, and then we undercut them every chance we get. If we don't like the decisions they make, we may punish them in funding or pass a law that supersedes board policy." This legislator went on to note that a better approach would be to articulate clear and measurable expectations and then hold the board accountable for results: "In other words, we have to be to the regents as the regents ought to be to the president."

The conscious effort on the part of many state legislatures and governors to adhere to this new accountability approach is perhaps one of the most significant developments to occur relative to state control since Kerr and Gade conducted their study. Although the success of this approach varies by state, concerted efforts to refrain from intruding on matters best addressed by the institutions exist in several states. "I might disagree with trustees in a certain instance, but having the legislature overrule them time after time, is just a bad idea," says a higher education committee chair.

State policy makers also might be less likely to intervene if they perceive boards are making a good-faith effort to respond to state concerns, particularly if the concerns involve high-profile or controversial issues. A governor's policy adviser notes: "The board has put in place some recommendations for how it will benchmark progress in increasing faculty teaching work loads. This could have become problematic for us had the governing board not worked with the institutions to come up with a solution."

Additionally, being perceived as responsive to state concerns can reap positive rewards, as was the case in this state: "We in the legislature have not fully funded higher education over the last two years," said one state representative. "As a result, our

regents and universities came up with an investment plan whereby they came up with some efficiencies. They eliminated programs that only had a few students and redirected that money to other areas, like technology. This year, I'm predicting that the legislature will look kindly on higher education and fully fund their request."

REMOVING OBSTACLES TO EFFECTIVE PUBLIC TRUSTEESHIP

Governance requires a collective effort. For it to be truly effective, a number of hard-working, knowledgeable, and dedicated individuals—each of whom adds value to the group—must come together to work as a team. Political leaders we interviewed said they set high expectations for trustees of public universities or systems, not only for how they are expected to function as individuals and as a board but also for how they should interact with the president or chancellor, students, faculty, state policy makers, and the community at large. While political leaders spoke in uniformly positive terms about the character and integrity of individual trustees, most said they believed governing boards as a whole need to be more effective in working with external constituencies. They offered a number of suggestions for how boards can add greater value to their roles.

Following are highlights from interviews with political leaders:

Political leaders believe it is their responsibility to ensure that board membership is balanced in terms of perspectives, interests, and constituencies. Once appointed, the board and its members have a responsibility to act in the best interests of the institution or system and the public. For the most part, political leaders think the governing boards in their states reflect diversity in gender, ethnicity, and backgrounds. They believe a diverse group is an asset that provides a healthy, broad perspective. They expect each individual on the board to add value to the group as a whole. As one house higher education committee chair describes it: "A regent has to come in with a unique experience or special knowledge so that he or she has something to add, something to give." A general concern, however, is that board members sometimes have difficulty stepping out of "the portfolio they carry," as one legislator put it, to understand different perspectives. Increasingly, that portfolio includes a state policy-making background as greater numbers of former political leaders find their way onto public college and university governing boards.

Although political leaders do not question the professional credentials and personal integrity of individual board members, they are more candid about the shortcomings of board performance as a whole. For many political leaders, the way to improve governance is not to change how individual trustees or regents are selected but to reorganize the overall governance structure and lines of authority. One notable exception was a higher education committee chair who offered this opinion: "Sometimes we think we can solve problems by changing structure. You can take almost any organization and make it work if people do good things."

Although political leaders generally agree on the basic individual qualifications needed to serve effectively as a trustee, several suggested how trustees can add greater value to their roles. To serve effectively as both buffer and bridge between the institution or system they govern and the community, trustees should be well informed (1) about the institutions or system they govern and (2) about higher education's state, societal, and global role. Several political leaders are careful to point out that it is wrong to assume that any individual knows all he or she needs to know before being appointed to a governing board. That is why many political leaders advocate some form of formal or informal intensive orientation or ongoing training opportunities.

Beyond these basic qualifications, several political leaders spoke of an enhanced advocacy role for trustees. One state representative referred to trustees as "an underutilized resource." His and other political leaders' comments suggest a number of active roles for trustees or regents:

- *Convener.* As a means to strengthen ties between the academic community and the local community, political leaders increasingly are looking to governing boards to bring together multiple perspectives for constructive debate and dialogue. One governor's aide shared a speech the governor made to the state's regents that called on the board to be the "bridge to the entire community, ensure the community's needs are heard, and the college is responsive and relevant."
- *Communicator.* As one legislator suggests, "Along with balancing the needs of the institution, boards must present the views they gather from constituents." Other political leaders spoke of the need for boards to be active facilitators in sharing information. Boards can share insights about public interests with presidents, chancellors, and state policy makers, while also providing information about campus

and higher education issues to the community. For some, this represents an opportunity for boards to promulgate a kind of "informed advocacy."

- *Constructive critic.* According to one state senator, a "constructive critic" is someone who provides "a healthy tension" in balancing institutional and public interests. When asked for examples of appropriate areas of board inquiry, political leaders suggested such issues as faculty promotion and tenure policies, tuition policies, accountability measures, and faculty work loads. Not surprisingly, these issues also are high on the lists of current topics for legislators.
- *Change agent.* Some legislators would like trustees and regents to take a more active role in the overall performance of the institutions they govern. Several called upon boards to be "change agents" and, in the words of this state representative, "help transition things from where they are to where they ought to be." This sentiment is not uniformly held. In more politicized state contexts, political leaders perceive certain board members already are too deeply immersed in matters outside their responsibility.

Political leaders stress the importance of selecting a strong board chair. Often, the chair may be the single point of contact between the board and the legislature or the community. As one political leader points out, "This person doesn't just run the meeting, he or she represents the board." The chair should possess experience, knowledge, and exceptional communication skills. On campus, the chair needs to be "a force to be reckoned with," leading the charge and building the capacity for change. In the community, the chair must be someone who is "out there speaking publicly about the issues and problems" facing higher education. But when the going gets tough, the chair also must be able to coalesce support within the board so that it "speaks with one voice."

CONCLUSIONS

Political leaders interviewed as part of this survey wholeheartedly support our nation's system of citizen governance for public higher education, but they also want the system to work better. Public university governing boards can contribute to its improvement by providing stronger leadership, a deeper engagement with the internal and external constituencies they serve, and a sharper focus on their board roles and respon-

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sibilities. Political leaders, too, have an important role to play in strengthening university governance and trusteeship. They must be clearer in communicating state needs and expectations, exercise more care in the selection process, and avoid undue state intervention in matters best left to boards to resolve.

A lack of communication between state policy makers and governing board members accounts in large measure for the gaps this study documents between political leaders' expectations for governing boards and their perceptions of board performance. Most political leaders we interviewed report they have little or no contact with the majority of members who serve on public university governing boards. Consequently, they have few opportunities to build relationships of trust or to discuss important campus and state issues. As one state representative said: "The big shortcoming is that we have never, as policy makers, thoughtfully articulated what we expect of the institutions. For boards to fully take into account the public interest, we should create more opportunities to engage trustees and legislators." While clearly not the only strategy, more forums to debate and discuss critical higher education issues can help strengthen public university governance and trusteeship.

Political Leaders' Views on the Governance of Public Colleges and Universities
Telephone Interview Protocol
(Educational Systems Research)

Thank you for agreeing to participate in this study about the governance of public colleges and universities in your state. The following few questions pertain specifically to what are commonly referred to as a board or boards of trustees or regents who have responsibilities either for a single campus or for multiple campuses in a system.

1. From a political leader's perspective, could you tell me briefly what you see as the state's strategic needs and objectives, and which of these higher education can help address?
2. Are changes in higher education governance currently a legislative issue in your state? If so, could you please describe the nature of the issue?
3. Do you think the way public college trustees or regents are selected in your state results in well-qualified and effective board members? If no, what changes (if any) would you make in the way they are selected in order to ensure the best qualified individuals serve on boards?
4. Is the concept of "citizen governance" understood in your state, and is it, in your opinion, still a viable way to oversee public higher education?
5. Can you give me an example of or describe for me what characterizes an effective trustee from your perspective?
6. How would you describe the relationship between public higher education generally and the legislature in your state?
7. How would you describe the relationship between the governing boards and the legislature in your state?
8. Do you agree or disagree with the following statement: *Governing boards, in carrying out their responsibilities, must balance two roles—one as supporter of and advocate for the institution, the other as guardian of the public trust and for public accountability.* How well are the public college and university governing boards generally in your state performing on each of these two roles?

9. Do you think the roles and responsibilities of governing boards have changed in recent years? And, if so, in what ways have they changed?

10. I would like to get a sense of what your expectations are for governing boards in your state and how well you think boards are meeting those expectations. The next series of questions ask about various areas of governing board responsibility.

For each area of responsibility, I will ask you, first, to rate how important a priority you think it is in *terms of the public interest*—using a scale from 1 to 5, where 5 is very important, 4 is somewhat important, 3 is neutral or no opinion, 2 is somewhat unimportant and 1 is very unimportant. Then, using the same scale, I will ask to rate (based on your own observations and experiences) how important a priority you think it is *for the public college and university governing boards generally* in your state.

Q: How important a priority is it for governing boards to:	**for the public interest?**	**for governing boards?**
a. ensure that campus agendas (that are established through mission and planning) address the state's agenda and needs	5 4 3 2 1	5 4 3 2 1
b. hold campuses accountable and assess performance against their role and mission	5 4 3 2 1	5 4 3 2 1
c. communicate directly with the state legislature on college or university matters	5 4 3 2 1	5 4 3 2 1
d. evaluate performance of the president	5 4 3 2 1	5 4 3 2 1
e. address personnel policies such as faculty workload and faculty promotion and tenure	5 4 3 2 1	5 4 3 2 1
f. address academic policies such as the number and quality of programs, curricular review, or faculty productivity	5 4 3 2 1	5 4 3 2 1
g. understand and oversee institutional budgets, including the setting of tuition and fees	5 4 3 2 1	5 4 3 2 1
h. delegate more responsibility to the president and the administration	5 4 3 2 1	5 4 3 2 1
i. create a positive board culture that enables it to act on key issues despite political or personal differences	5 4 3 2 1	5 4 3 2 1

11. Are there other areas of responsibility that you think are important priorities or other comments on this topic you would like to add?
12. Do you have any recommendations for strengthening citizen oversight of public colleges and universities or any other comments about governance or this survey in general that you would like to add?

APPENDIX C

Individuals Interviewed

Some individuals were interviewed on more than one occasion and thus are listed twice. Their attributed titles were current at the time of the interviews. All interviews were conducted on a not-for-attribution basis.

COLORADO

Edward Bowditch, Budget Analyst for Higher Education, Joint Budget Committee of the State Legislature

John Buechner, President, University of Colorado—Boulder

William Fulkerson, President, The State Colleges in Colorado

Joan Post Gordon, Faculty member, University of Southern Colorado

Christine Johnson, Chair, Colorado Commission on Higher Education

Al Meiklejohn, Senator, Colorado State Senate

Aims McGuinness, Chair of the Board of Trustees, The State Colleges in Colorado

Dwayne Nuzum, Executive Director, Colorado Commission on Higher Education

Daniel Ritchie, Chancellor, University of Denver

Paul D. Schauer, State Representative, Colorado House of Representatives

Robert Seivers, Chair, University of Colorado Board of Regents

Site-visit interviews conducted by *Edward R. Hines* and *Holly Madsen*

FLORIDA

Elizabeth Castor, President, University of South Florida

Linda Collins, Staff, Senate Ways and Means Committee

James R. Harding, Regent, State University System

James F. Heekin, Jr., Chairman, Board of Regents

John Hitt, President, University of Central Florida

Frederick Humphries, President, Florida A & M University

John Lombardi, President, University of Florida

Nancy McKee, Policy Coordinator of the Educational Policy Unit, Governor's Office

Jon C. Moyle, Regent, State University System

Michael O'Farrell, Staff Director, Senate Higher Education Committee

William Proctor, Executive Director, Postsecondary Education Planning Commission

Charles B. Reed, Chancellor, State University System

John Andrew Smith, Staff Director, Senate Ways and Means Committee

Steven Uhlfelder, Regent, State University System

Site-visit interviews conducted by *David Leslie* and *Richard Novak*

ILLINOIS

Dolores Cross, President, Chicago State University

Molly D'Esposito, Vice Chair, Board of Trustees, Southern Illinois University

Hon. James Edgar, Governor, Illinois

Sally Jackson, Chair, Board of Trustees, Governors State University

John LaTourette, President, Northern Illinois University

Niva Lubin, Member, Board of Trustees, Chicago State University

John Maitland, Senate Education Committee, Illinois General Assembly

William Monat, former Chancellor, Illinois Board of Regents and former President, Northern Illinois University

A. Wayne Penn, Provost and Vice Chancellor, University of Illinois–Springfield

David Ripley, former Chair, Illinois Board of Higher Education Faculty Advisory Committee

Steve Rugg, Director of Planning, University of Illinois

Helen Satterthwaite, former Chair, House Education Committee, Illinois General Assembly

Myron Siegel, Chair, Board of Trustees, Northern Illinois University

Robert Spitze, Faculty Member, University of Illinois

David Strand, President, Illinois State University

James Stukel, President, University of Illinois

Michele Thompson, Secretary to the Board, University of Illinois

Richard Wagner, Executive Director, Illinois Board of Higher Education

Robert Wallhaus, former Deputy Executive Director, Illinois Board of Higher Education

Gretchen Winter, Chair, Board of Trustees, Western Illinois University

David Wirsing, House Higher Education Committee, Illinois General Assembly

Paula Wolff, President, Governors State University

Site-visit interviews conducted by *David Leslie* and *Edward R. Hines*

MISSISSIPPI

Timothy Ford, Speaker of the House

Richard Hall, Chair, Senate Appropriations Committee

Gregory Hinkebein, Legal Counsel, Governor's Office

Marlin Ivey, President, Board of Trustees of State Institutions of Higher Learning

Robert Khayat, Chancellor, University of Mississippi

Thomas D. Layzell, Commissioner of Higher Education

Aubrey Lucas, President, University of Southern Mississippi

Ronnie Musgrove, Lieutenant Governor

Cass Pennington, Vice President Board of Trustees

Edward Perry, Chair, House Appropriations Subcommittee

Clyda Rent, President, Mississippi University for Women

Jerome Smith, Education Advisor, Governor's Office

William Sutton, President, Mississippi Valley State University

Kent Wyatt, President, Delta State University

Site-visit interviews conducted by *David Leslie* and *Holly Madsen*

MONTANA

David Aronofsky, Legal Counsel, University of Montana

Jeffrey Baker, former Commissioner, Montana System of Higher Education (now president, Luther College)

George Benedict, Faculty Member, Montana State University, Billings

Paul Boylan, Regent, Montana Board of Regents

Rep. Sylvia Bookout, Montana House of Representatives

Colleen Conroy, Regent, Montana Board of Regents

Richard Crofts, Commissioner, Montana System of Higher Education

Norman Eggert, Faculty Member, Montana State University, Bozeman

Michael Green, Regent, Montana Board of Regents

Senator Mike Hallegan, Minority Leader, Montana State Senate

Gary Harkin, Faculty Member, Montana State University, Bozeman

Randall Horst, Faculty Member, Western Montana College of the University of Montana

James Kaze, Chair, Montana Board of Regents

Michael Malone, President, Montana State University

Michael Mayer, Faculty Member, University of Montana, Missoula

Governor Mark Racicot

Rep. Robert Rehm, Montana House of Representatives and faculty member, University of Montana, Missoula

Nader Shooshtari, Faculty Member, University of Montana, Missoula

Rep. Carolyn Squires, Montana House of Representatives

Emily Swanson, State Representative, Montana House of Representatives

Ronald Sexton, Chancellor, Montana State University—Billings

Margie Thompson, Regent, Montana Board of Regents

Richard Walton, Faculty Member, University of Montana, Missoula

Pat Williams, former Member, U. S. House of Representatives

Site-visit interviews conducted by *Edward R. Hines* and *Richard Novak*

NEVADA

Robert Dickens, Office of Government Relations, University of Nevada, Reno

Ann Andreini, Legal Counsel, Office of the Governor

Shelly Berkley, Regent, Nevada Board of Regents

Jill Derby, Vice Chair, Nevada Board of Regents

Suzanne Ernst, Deputy to the Chancellor, University and Community College System of Nevada

Dorothy Gallagher, Regent, Nevada Board of Regents

Maddison Graves, Chair, Nevada Board of Regents

Carol Harter, President, University of Nevada, Las Vegas

Richard Jarvis, Chancellor, University and Community College System of Nevada

Nancy Masters, Faculty Member, University of Nevada, Las Vegas

Daniel McClure, Faculty Member, Truckee Meadows Community College

Richard Moore, President, Community College of Southern Nevada

Senator William Raggio, Majority Leader, Nevada State Senate

John Richardson, Vice Chancellor for Academic Affairs

John Sagebiel, Desert Research Institute

Rebecca Seibert, System Administrator for Computing, University and Community College System of Nevada

Carolyn Sparks, former Regent, Nevada Board of Regents

Richard Stewart, Faculty Member, University of Nevada, Las Vegas

Joanne Vuillemont, Faculty Member and Senate Chair, Community College of South Nevada

Site-visit interviews conducted by *Bruce Johnstone* and *Richard Novak*

NEW JERSEY

Ronald L. Applbaum, President, Kean College of New Jersey

Al Cade, Chair, New Jersey Commission on Higher Education

Willa Mae Coram, Chair of the Board, Jersey City State College

Harold Eickhoff, President, The College of New Jersey

Michael Fernandez, Deputy Director, New Jersey State College Governing Boards Association

Darryl G. Greer, Executive Director, New Jersey State Colleges Governing Boards Association

Marty Hammond-Paludan, Executive Director, New Jersey Commission on Higher Education

Carlos Hernandez, President, Jersey City State College

Jack Marrero, Chair of the Board, Kean College

Senator Gordon McInnes, New Jersey State Senate

Robert Scott, President, Ramapo College of New Jersey

Robert Taylor, Chair of the Board, William Patterson University

Philip Thayer, Chair of the Board, Montclair State University

Steven Weinstein, former Chair of the Board, Rowan University

Site-visit interviews conducted by *Holly Madsen* and *Richard Novak*

PARTICIPANTS IN FOCUS GROUPS

Ten focus groups and meetings were held during the summer and fall of 1996 that provided opportunities for targeted discussions with the key board constituents. The first two of these were held at the annual meeting of the Education Commission of the States with governors' education aides, state legislators, and legislative aides. A summer conference of the Western Interstate Commission on Higher Education and the annual meeting of the National Conference of State Legislatures provided two additional opportunities to meet with state legislators and legislative aides. The annual meeting of the State Higher Education Executive Officers provided an opportunity for discussion with more than 40 chief executives of state university systems and coordinating agencies. Focus groups also were held during the November 1996 annual meetings of the National Association of State Universities and Land-Grant Colleges and the American Association of State Colleges and Universities. These two groups represent the presidents and university system chancellors of all the nation's four-year public colleges and universities.

AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES (AASCU) MEETING FOCUS GROUPS

Hans Brisch, Chancellor, Oklahoma State Regents for Higher Education

James Callier, Chancellor, University of Louisiana System

Joseph Cox, Chancellor, Oregon State System of Higher Education

Charles Dunn, President, Henderson State University (Arkansas)

Judith Eaton, Chancellor, Minnesota State Colleges and Universities

William Fulkerson, President, The State Colleges in Colorado

Eric Gilbertson, President, Saginaw Valley State University (Michigan)

Emita Hill, Chancellor, Indiana University, Kokomo

Robert Koob, President, University of Northern Iowa

Carrol Krause, Executive Director, Nebraska State College System

Terrence J. MacTaggart, Chancellor, University of Maine System

James H. McCormick, Chancellor, Pennsylvania State System of Higher Education

Thomas Meredith, President, Western Kentucky University

Jose Monserratte, Rector, University of Puerto Rico System, College of Cayey

Lawrence Pettit, President, Indiana University of Pennsylvania

Robert Potts, President, University of Northern Alabama

Earl Richardson, President, Morgan State University (Maryland)

Charles Smith, Chancellor, Tennessee Board of Regents

Glenn Stevens, Executive Director, Presidents' Council, Michigan

Clifford Trump, Chancellor, State College System of West Virginia

John Worthen, President, Ball State University (Indiana)

Moderators: *Stanley O. Ikenberry* and *Richard Novak*

ASSOCIATION OF GOVERNING BOARDS ROUNDTABLES

Cile Chavez, Trustee, The State Colleges of Colorado

Judith Gignac, Regent, Arizona Board of Regents

Tina Kern, Trustee, University of Southern Indiana

Donald N. Langenberg, Chancellor, University of Maryland System

Thomas D. Layzell, Commissioner, Board of Trustees of State Institutions of Higher Learning (Mississippi)

Nina Lubin, Trustee, Chicago State University

James H. McCormick, Chancellor, Pennsylvania State System of Higher Education

Thomas Shrout, Trustee, Truman State College (Missouri)

Peter Steinhauer, Regent, University of Colorado System

Robert Taylor, Chair of the Board, William Paterson College of New Jersey

Ronald Toya, Member, New Mexico Commission on Higher Education

Amber Watt, Student Trustee, Santa Monica Community College (California)

Moderator: *Richard Novak*

ECS FOCUS GROUP OF EDUCATION POLICY AIDES

William Christopher, Director of Education Policy, Office of the Governor, Indiana

Ernest Diamond, Budget Analyst, Office of State Finance, Oklahoma

Lori Gremel, Associate Director, State of Michigan Washington Office

Coreen Hill, Deputy for Education, Office of the Governor, Utah

Julie Kane, Policy Adviser on Education Issues, Office of the Governor, Wisconsin

Margaret LaMontagne, Senior Adviser, Office of the Governor, Texas

Sherry Lindsey, Budget Analyst, Office of State Finance, Oklahoma

John Litscher, Secretary for the Department of Employment Relations, Wisconsin

Chris Pipho, Division Director, Clearinghouse—State Relations, Education Commission of the States

Vicki Poole, Department of Work Force Development, Wisconsin

Pauline Rindone, Deputy Director, Legislative Education Policy Committee, New Mexico

Patricia Sullivan, Director of Education Legislation, National Governors' Association

David Watts, Director of Educational Development Division, Office of Planning and Budget, Georgia

Mark Weston, State Service Coordinator, Education Commission of the States

Garret Westerfeld, Education Commission of the States

Moderators: *Richard Novak* and *Holly Madsen*

ECS FOCUS GROUP OF LEGISLATORS, LEGISLATIVE STAFF, COMMISSIONERS AND OTHERS

Fred Boyd, Chairman, K-16 Council, Nevada

Rep. MaryLou Cowlishaw, Illinois House of Representatives

Sen. Jack Ewing, New Jersey

Sen. Hillman Frazier, Chair, University and College Committee, Mississippi State Senate

Marty Hammond-Paludan, Executive Director, New Jersey Commission on Higher Education

Sen. Barbara Hoffman, Maryland State Senate

Rep. Anthony Kinkel, Minnesota House of Representatives

Senator Ray Rawson, State Senate, Nevada

Nancy Stepina, Vice Chancellor, State University System (Florida)

Pepper Sturm, Legislative Counsel Bureau, Nevada

Moderators: *Richard Novak* and *Holly Madsen*

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES FOCUS GROUP

Myles Brand, President, Indiana University System

John T. Casteen, III, President, University of Virginia

Joseph Crowley, President, University of Nevada, Reno

Talbot D'Alemberte, President, Florida State University

Lois Defleur, President, State University of New York, Binghamton

William DeLauder, President, Delaware State University

Nils Hasselmo, President, University of Minnesota

Charles Knapp, President, University of Georgia

Samuel Smith, President, Washington State University

Moderators: *James Appleberry, Stanley O. Ikenberry, Richard T. Ingram*, and *Holly Madsen*

NATIONAL CONFERENCE OF STATE LEGISLATURES EDUCATION COMMITTEE

Julie Bell, Education Program Director, National Conference of State Legislatures

Rep. Ronald R. Cowell, Chair, Higher Education Committee, House of Representatives, Pennsylvania

Rep. Freed Curd, House of Representatives, Kentucky

Rep. Beverly Ann Evans, Chair, House Education Committee, House of Representatives, Utah

Michael Kjar, Legislative Fiscal Staff, Utah

Rep. Richard Reinhardt, House of Representatives, Utah

Lois Wilson, Legislative Staff, State Senate, New York

Moderators: *Richard Novak* and *Sandra Ruppert*

STATE HIGHER EDUCATION EXECUTIVE OFFICERS DISCUSSION PARTICIPANTS

Kenneth Ashworth, Commissioner, Texas Higher Education Coordinating Board

Frank Besnette, Executive Director, Arizona Board of Regents

Molly Broad, Vice Chancellor, The California State University System

Donald Brown, Deputy Commissioner, Texas Higher Education Coordinating Board

Joseph Cox, Chancellor, Oregon State System of Higher Education

Richard Crofts, Commissioner of Higher Education, Montana System of Higher Education

Jack Hoy, Executive Director, New England Board of Higher Education

Richard Jarvis, Chancellor, University and Community College System of Nevada

Richard Jonson, Executive Director, Western Interstate Commission on Higher Education

Steven Jordan, Executive Director, Kansas Board of Regents

Thomas D. Layzell, Commissioner, Board of Trustees of State Institutions of Higher Learning (Mississippi)

Charles Lenth, Director, Policy Studies for Higher Education, Education Commission of the States

Aims McGuinness, Chair of the Board of Trustees, The State Colleges in Colorado

Terrence J. MacTaggart, Chancellor, University of Maine System

Paul Marion, Executive Director, Pennsylvania Association of Colleges and Universities

Barry Munitz, Chancellor, The California State University System

Tad Perry, Executive Director, South Dakota Board of Regents

Judith Pulley, Vice President for Planning, University of North Carolina Central Administration

Fred Sheheen, Commissioner, South Carolina Commission on Higher Education

Kala Stroup, Commissioner, Missouri Coordinating Board for Higher Education

Richard Wagner, Executive Director, Illinois Board of Higher Education

Robert Wallhaus, former Deputy Director, Illinois Board of Higher Education

Moderator: *Richard Novak*

WESTERN INTERSTATE COMMISSION ON HIGHER EDUCATION FOCUS GROUP

Rep. Afton Bradshaw, State Representative, Utah

Linda High, Special Assistant to the Governor, Idaho

Sen. David Ige, State Senator, Hawaii

John Lee, Assistant Director, Joint Legislative Budget Committee, Arizona

Ieve Mock, WICHE staff

Rep. Emily Swanson, Representative, Montana

Daniel Via, Research Assistant, WICHE staff

Moderators: *Richard Novak* and *Sandra Ruppert*

ADDITIONAL INTERVIEWS

Hon. Gerald Baliles, former Governor, Virginia

Hon. Mel Carnahan, Governor, Missouri

Hon. Garrey Carruthers, former Governor, New Mexico

Gordon K. Davies, Executive Director, Virginia State Council of Higher Education

Patricia Hill, Regent, North Dakota Board of Regents

Rep. Sandra Kauffman, State Representative, Missouri

Phyllis Krutsch, Regent, University of Wisconsin System

Hon. Robert Kustra, Lt. Governor, Illinois

Jack Peltason, former President, University of California

EDUCATIONAL SYSTEMS RESEARCH SURVEY AND INTERVIEWS OF STATE LEGISLATORS AND GOVERNORS' EDUCATION POLICY AIDES

Governor's Policy Aides Interviewed by Educational Systems Research

Michael Sentance
Governor William Weld
Massachusetts

Warren Williamson
Governor Fob James
Alabama

Sonnie Elliott
Governor Arne Carlson
Minnesota

Patricia Florestano
Governor Parris Glendening
Maryland

Timothy Kelly
Governor John Engler
Michigan

Charles Zogby
Governor Tom Ridge
Pennsylvania

Ms. Jodie Butler
Governor Terry Branstad
Iowa

Sherie Story
Governor Gary Locke
Washington

Joseph Rodota
Governor Pete Wilson
California

State Legislators Interviewed by Educational Systems Research

Senator Douglas Chee
Alabama

Senator David Ige
Hawaii

Representative Philip Warner
Indiana

Delegate Nancy Kopp
Maryland

Representative Jessie Dalman
Michigan

Representative Anthony Kinkel
Senator Roger Moe
Minnesota

Senator Ardyce Bohlke
Senator Chris Peterson
Nebraska

Assemblywoman Barbara Clark
Senator Charles Cook
Assemblyman Ed Sullivan
New York

Senator Penny Williams
Oklahoma

Senator Thomas Hartung
Representative Carolyn Oakley
Senator Cliff Trow
Oregon

Representative Ronald R. Cowell
Senator James Rhoades
Pennsylvania

Representative Ronald Townsend
South Carolina

Representative Lawrence Gabriel
South Dakota

Senator Andrew Womack
Tennessee

Senator Thais Blatnik
West Virginia

Senator Lyle Hillyard
Utah

Representative Robin Kreibich
Wisconsin

Delegate Linda Todd Puller
Virginia

Interviewers for ESR: *Sandra Ruppert* and *Mario Martinez*

INDIVIDUAL READERS OFFERING VALUABLE COMMENTS ON THE REPORT

Patick Callan

Ronald Cowell

E. K. Fretwell

Marian Gade

Darryl Greer

Stephen Jordan

Thomas Layzell

Terrence MacTaggart

Aims McGuinness

James Mingle

APPENDIX D

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Bridging the Gap

BETWEEN STATE GOVERNMENT

A SUMMARY OF THE REPORT

AGB 115

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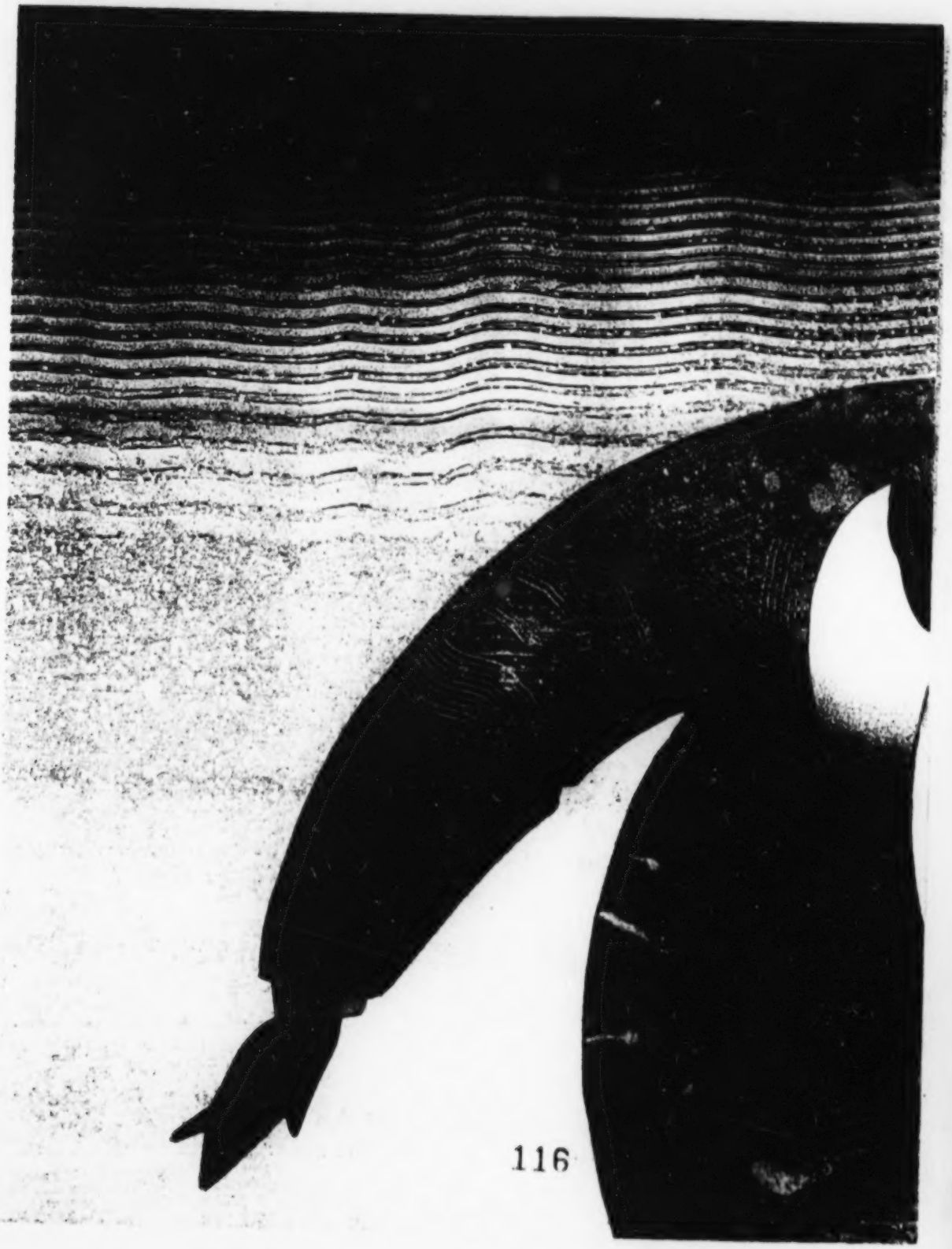

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A REPORT OF THE ASSOCIATION OF GOVERNING BOARDS
OF UNIVERSITIES AND COLLEGES

Bridging the Gap

BETWEEN STATE GOVERNMENT AND PUBLIC HIGHER EDUCATION

117

Association of Governing Boards
of Universities and Colleges

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This summary is a companion document to the 103-page comprehensive report. For additional copies of either publication, call AGB Publications at 1-800/356-6317 or visit www.agb.org.

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oreword

an the governance and trusteeship of public higher education, as it currently is practiced nationwide, effectively meet society's expectations? This question should concern governors, legislators, and the trustees and chief executives of all public universities and university sys-ms. Because this report forthrightly addresses this matter, we commend it to the membership of ır respective organizations.

Research for this study included personal interviews with more than 250 state lawmakers, ustees, and education leaders in seven states; numerous focus groups; and independently conduct-l telephone interviews of state legislators and governors' policy advisers in another 18 states. Con-ıcted by the Association of Governing Boards of Universities and Colleges, the study sought to termine whether the institution and practice of academic trusteeship continues to meet with the neral approval of state lawmakers and university trustees and chief executives.

Its conclusion is a mixed report card. Notwithstanding the general acceptance of the impor-nce, overall performance, and utility of citizen boards, the expectations and perceived performance state political leaders vary from those of university executives and board members. Indeed, there e similar gaps between the perceptions of citizen trustees and their presidents and chancellors on ese same matters. Something seems to be missing.

This report concludes that if citizen boards of tax-supported colleges are to anticipate and spond to internal and external demands and new expectations and avoid becoming anachronistic dysfunctional, a series of significant reforms is necessary. (The precise nature of these reforms will ry, of course, from one state to another.) The report calls for a national and state-by-state dialogue legislators and governors and their policy advisers, academic presidents and chancellors, and ıstees and regents.

The future of public higher education and its capacity to strengthen strategic state priorities—ch as fostering economic development and reforming elementary and secondary education—pends on effective governance through citizen trusteeship. But what do you think? Is this an ıportant place to begin a series of conversations to improve understanding about citizen trustee-ip, strengthen the relationship of public higher education to state government, and to shape propriate reforms, as this report recommends?

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Please let us hear from you.

Stanley O. Ikenberry
President
American Council on Education

Richard T. Ingram
President
Association of Governing Boards
of Universities and Colleges

Frank Newman
President
Education Commission of the States

William T. Pound
Executive Director
National Conference of State Legislatures

ntroduction

y Stanley O. Ikenberry

America's public and private higher education institutions are more important than ever to the nation's economic future, cultural development, and quality of life. In public colleges and universities, however, warning signs have begun to appear. At a time when the budgets of ate governments and institutions are under great stress, demands for better academic performance ıd responsiveness to state needs are increasing. This is occurring, moreover, amid great philosophi-ıl, ideological, and technological shifts.

The powerful demands on public higher education are understandable. Its institutions enroll) percent of the nation's college and university students. A vast array of basic and applied research, aduate and professional education, and public service occurs on these campuses. Our citizens have ıbstantial expectations for these institutions, as do governors, legislators, business leaders, students, ırents, alumni, faculties, and others. Yet the higher education enterprise is complex and fundamen-ılly different from most other functions of state government.

In this environment, the performance of public university governing boards is critically impor-ınt, for they operate at the intersection of institutional aspirations and state needs. As states and public ıiversities strive to develop new policies and relationships, effective and independent citizen oversight ıd governance of public universities is key to success. Well-functioning governing boards can attract ıd retain capable presidential leadership and connect the essence of the university to the needs of the ɔciety. If governance fails, it can mean missed opportunities and a loss of public confidence.

How well are public higher education boards functioning? Evidence from many states suggests growing concern about their performance. Many state and institutional leaders question the ıpacity of these boards to meet the expanding expectations of a changing society. Their concerns ·nter around structural problems, political issues, and in some cases, the limitations of individual ɔard members.

Much of the difficulty is rooted in the increasingly politicized arena in which public institu-ons and boards function—an environment in which the political process itself and attention from ıe press often contribute to board divisiveness. Governors, legislators, and the public are question-ıg the leadership of presidents, chancellors, and commissioners and the effectiveness of public uni-·rsity boards at precisely the moment when the nation needs stability, clarity of purpose, innova-on, and high-quality education.

The strengths of public university governing boards can be no greater than the strengths of their individual members and the selection processes that bring them to boardrooms. Board performance is measured by a range of factors. Among them: the size of a board, the experience of its members, the energy and skill of the board chair, the ability of the president or chancellor to encourage and support a strong and effective board, and the range of members' talent, perspective, motivation, and commitment.

A weak or divided board is ill-suited to confront the many serious questions the public is raising about increased costs, program cutbacks, and educational accountability. When resources were plentiful and public support was strong, governing board leadership seemed to be adequate—or at least less consequential. But to position itself well for the 21st century, public higher education trusteeship must attract citizens of great commitment and quality, working within structures devoid of partisan politics and with clear expectations for high levels of performance and accountability.

Sound, responsive, and efficient governance is an essential link between society and higher education. In its absence, we risk jeopardizing academic quality, public confidence, and America's competitive advantage in the world.

This project to strengthen the governance of public universities dovetails with the work of the national Commission on the Academic Presidency, which expressed concerns about the role and effectiveness of public university governing boards and issued recommendations to public officials in its September 1996 report. The commission's report has provided an impetus to probe more deeply into such issues as trustee-selection reforms, length of time board members serve, size of public boards, and linking state strategic objectives to boards and the work of universities.

This report can be a blueprint for reform. It can help governors, legislators, boards, and university presidents, chancellors, and commissioners fulfill their responsibilities for effective college and university governance. As chair of this study's advisory committee, I would like to thank my colleagues for contributing many valuable ideas and for participating in state site visits and focus groups. They are:

Hunter Andrews, former Virginia state senator

James B. Appleberry, president of the American Association of State Colleges and Universities

John Barth, director of the Education Policy Studies Division, National Governors' Association

Julie Bell, education program director of the National Conference of State Legislatures

Hon. James Edgar, governor of Illinois

Ed M. Elliott, president of Central Missouri State University

C. Peter Magrath, president of the National Association of State Universities and Land Grant Colleges

Mark Musick, president of the Southern Regional Education Board

Frank Newman, president of the Education Commission of the States

D. Bruce Johnstone, professor of higher education, State University of New York at Buffalo

Richard T. Ingram, president of the Association of Governing Boards of Universities and Colleges

The primary authors of the report are Richard Novak, director of public sector programs at GB; David Leslie, professor of education at the College of William and Mary in Virginia; and Jward Hines, professor of higher education at Illinois State University. They comprised the research am along with Holly Madsen, at the time AGB's director of special projects. Additional material as provided by Tom Ingram and Bruce Johnstone of the advisory committee. The survey of state gislators and governors' education policy advisers that appears in Appendix B was conducted by lucational Systems Research of Littleton, Colo., under the direction of Sandra Ruppert.

Bridging the Gap Between State Government and Public Higher Education

Public higher education governing boards are at a crossroads. In one direction lie the interests and ambitions of their university or system; in the other the financial, strategic, and public-policy demands of their state. But in the increasingly contentious world of state politics and higher education, no road map can tell these boards how to navigate the inherent conflicts, tensions, and ambiguities of this terrain or where institutional interests and the public interest converge. The stakes are high: Successful colleges and universities contribute substantially to the strategic agendas and economic well-being of their states.

Where exactly do the "citizen boards" of public higher education fit into the process? What is their role? How should boards handle the often contradictory expectations of campus stakeholders, state officials, and the general population? The answers to these questions are not at all clear.

With the cooperation of associations representing higher education and elected state officials and with support from an anonymous foundation, the Association of Governing Boards of Universities and Colleges (AGB) embarked on an 18-month study to (1) find out how state political and education leaders gauge the performance of citizen boards of trustees and (2) assess the overall condition of academic governance. The inquiry included interviews and discussions with more than 250 state officials and education leaders, site visits to seven states, and an independent telephone survey of political leaders in 18 states.

Among the many findings in this study, these three underscore the others:

- *The vast majority of state political leaders desire strong and effective governing boards and want them to succeed.* But without appropriate and timely intervention, the governance of public colleges and universities in some states may become anachronistic or dysfunctional.
- *Most boards and board members take their responsibilities seriously and are genuinely committed to doing the best jobs they can.* Trustees and regents must confront many obstacles and barriers to effective performance—some of which are systemic, others of which are a result of their own shortcomings.
- *Overwhelming support exists for the institution of college and university trusteeship conducted by lay citizens, but many stakeholders—including a number of trustees and regents themselves—are concerned about the performance of boards and individual trustees.* Many boards and their members

are not performing as well as they should. This study provides strong evidence for the need to reform the practice of citizen trusteeship and to strengthen the relationship, trust, and confidence between public higher education and state governments.

HE STUDY'S THEMES AND FINDINGS

he major findings of the full study appear under the rubric of five themes. This summary highlights everal of these findings.

1. Preparing for the Future
2. Serving in the Public Interest
3. Navigating a New Political Environment
4. Balancing Board Responsiveness With Policy Independence
5. Removing Obstacles to Effective Public Trusteeship

REPARING FOR THE FUTURE

he present system of lay governance was established when the missions of colleges and universities nd their range of operations, funding, and staffing were far simpler. The scope of American higher ducation and its financial wherewithal have expanded in ways unimaginable when most current overnance structures were established. What's more, social, economic, demographic, and technolog al changes are occurring so rapidly that lay governing boards have great difficulty keeping pace.

One person interviewed for the study said, "The world is changing faster than the governance ystem can accommodate. Changes of great magnitude are coming so quickly that governing boards ave been bypassed as a de-facto matter. Whether they can act effectively in this environment is an pen question."

- *While some boards tend to be uncritically evenhanded, conservative, cautious, and uninspiring in their decision-making, other boards reflect a new activism.*

Some trustees or regents seek drastic changes in their institutions, but these board members ometimes push too hard and too fast, without adequately considering the consequences. Some

"single issue" trustees try to use their positions to "fix things," even though they lack a clear sense of the problem. "Ideologues are making an effort to get on boards," says an academic president, "and we have suffered the single-issue trustee from the [political] right and left."

Fundamental clashes are likely as public colleges and universities find themselves in a more competitive environment. Unpredictable public revenues, changing student profiles, and a technology-driven revolution in teaching and learning will lead some officials to pursue strategic alliances or partnerships to stretch resources or reach new student markets. Other officials may seek stability, political balance, and a greater degree of state coordination and cost control.

No matter which direction state and higher education leaders choose, governing boards will be called upon to assume a more central role in determining their institutions' policies. To meet their responsibilities, boards will have to surmount their internal differences and change the way they conduct business. Board membership may need to reflect a different mix of characteristics and experiences, with more members capable of understanding the issues and budgets of large, complex organizations. Trustees and regents will need greater foresight, broader experience, higher stature, and to be less preoccupied with the status quo. They must be able to maintain a broad vision, think and act strategically, and reward leaders who take risks. For their part, academic chief executives should welcome stronger, more active boards, but they also will need to be working with boards they can respect.

- *State legislatures and governing boards will need to establish relationships that allow for more flexibility, less regulation, and greater respect of board policy authority. Some states should consider alternative governance structures.*

SERVING THE PUBLIC INTEREST

Trustees and regents of public universities must maintain a level of independence from campus stakeholders, elected leaders, and the general public as they strive for objectivity in decision making. While acknowledging they function in a highly ambiguous environment, boards cannot be ambivalent. It is precisely on their ability to interpret and represent the interests of the state as well as the institution or system that boards are judged to be effective or ineffective, competent or incompetent.

- *Governing boards have difficulty serving the public interest when state officials fail to articulate a clear public agenda for higher education or share their ideas with prospective board members.* State leaders say they want sound academic management; greater accountability, efficiency, and productivity; lower costs; and higher quality. But unless governors and legislative leaders place these objectives within the context of a public agenda and attain a more realistic understanding of higher education's culture, boards are unlikely to see these goals are accomplished.

The chair of one higher education legislative committee, for example, concedes his legislature ovides "no formal articulation of expectations" for governing boards. He adds: "There needs to be ore guidance as to what the public interest means." The resulting lack of clarity can produce frus- ıting conflicts over the proper role of the board.

- *Higher education and state government officials generally want academic governing boards to function as "corporate" boards—appointing, supporting, and delegating to strong executives and holding them accountable.* Yet state political leaders also want these boards to operate as "citizen" boards that ensure the university or system addresses state and societal interests. Effective boards are able to do both.

Many college and university presidents and chancellors say their boards are becoming increas- gly influenced by politically popular state agendas that focus on reducing taxes and downsizing vernment. This typically leads to stagnant and unpredictable higher education budgets and to ore calls for institutional accountability and productivity. Such developments may be inevitable d even desirable, academic leaders concede, but they firmly contend the paramount duty of gov- ning boards should be to protect and advocate for their institutions during periods of transition.

- *Many boards have strong records as institutional advocates, sometimes at the expense of their role as guardians of the public trust.* For example, they may not evaluate financial issues adequately, or they may be too willing to cope with rising costs simply by passing them on to students through increases in tuition and fees.

By the same token, some political leaders and board members lack an adequate understanding the historical link between public higher education and the common good, fail to see state spend- g on higher education as an investment that benefits everyone, and view such spending as an inap- opriate subsidy for individuals who reap private benefits from college degrees.

AVIGATING A NEW POLITICAL ENVIRONMENT

vernors and legislators inevitably have a substantial interest in the programs, priorities, and per- rmance of state colleges and universities because the public expects so much of these institutions engines of individual and social progress. Perhaps more important, state policy makers believe y can address the fundamental strategic issues facing their states through work conducted in pub- colleges and universities.

Some governors and legislators recently have attempted to assert their interests more directly. ey have appointed board members with particular orientations or a commitment to a particular

kind of activism. These public officials have influenced board agendas, enacted new laws, or adopted regulations that attempt to achieve what boards and institutions may have been unwilling or unable to achieve on their own. In many states, such heightened political activity has resulted in partisanship and counterproductive behavior that has negatively affected board performance. Unfortunately, many boards are too willing to compromise their political independence.

- *Governing boards can be effective advocates for institutional needs and buffers against inappropriate intrusion into institutional affairs only if they are seen and respected as maintaining a discrete identity and an appropriate level of independence from the state and the institutions they govern.*

Sometimes the desire of governors and other state officials to influence academic governance extends to giving newly selected board members mandates for specific actions, such as ousting a president or revising the curriculum. On other occasions, board members have been pressured to provide political favors, such as hiring certain people or admitting particular students. Such pressure is highly inappropriate, of course, but it does occur.

- *The politicization of public higher education is interfering with the selection and retention of high-caliber trustees.* Many capable people simply are not being considered or are being rejected for political reasons. Others who deserve reappointment on the merits of past performance are being replaced. Still others are unwilling to serve at all. For a variety of reasons, public trusteeship has become an unrewarding civic activity.

In most states, trustees are selected through gubernatorial appointments and confirmation by state senates. But the appointment process can be flawed if candidates are not properly scrutinized. Once in office, some trustees are beholden to special interests or push too hard for their own personal agendas.

Because the selection process has become so politicized, many people now believe trustees and regents should be chosen primarily on merit. Experienced political leaders say the use of advisory or nominating committees to recruit, screen, and recommend board candidates can help shelter the process from partisan or ideological politics.

BALANCING BOARD RESPONSIVENESS WITH POLICY INDEPENDENCE

The perennial tension between institutional autonomy and accountability remains unresolved. On the one hand, public higher education governing boards must sustain the independence they require to do their jobs in a democratic society. On the other, they must be accountable to a public authori-

, specifically to governors and legislators. To ensure their programs are responsive to identifiable ate needs, college and university officials must be able to demonstrate to lawmakers, students, and xpayers that their programs and services support their institutions' stated missions.

In addition, boards must provide more vigilant oversight, occasionally making difficult decions to eliminate programs or redirect funds to new priorities. As one state legislator said, "I don't ant somebody serving [on the board] who is shy about asking questions about academic standards id quality, and how these things relate to and reinforce the mission of higher education."

- *State political leaders increasingly act in place of boards when boards fail to address major academic policy issues or problems legislators deem critical.*

In many states, governing boards seem to invite government intervention in areas where the ard normally would be responsible. When political leaders believe the board has failed to act on a icial issue, they are not hesitant to step in. In some cases, the intervention stems from mixed sigls about where responsibility resides. In other cases, it comes from a failure to communicate about te priorities.

Political leaders in some states view higher education leaders as unwilling or unable to pond to their calls for internal reform. Some critics see governing boards as aloof from the legisla- process and from political leaders. Quips one state senator: "The regents? We never see them." e legislature recently reorganized its state's higher education governance structure because, in the rds of a key lawmaker, the higher education establishment was "incapable of change on its own."

"The public is less and less sympathetic to government entities' cries for more dollars," says a ernor's policy adviser. Consequently, boards are becoming more sensitive to public demands that leges and universities embrace the same rigorous performance standards as businesses.

The tradeoff for more money or autonomy often is greater accountability. One state legislature ntly agreed to replace line-item budgeting with lump-sum appropriations in exchange for the her education system agreeing to benchmark its performance in relation to specified outcomes.

Unfortunately, legislatures do not always speak with a unified voice, and this can be tough on erning boards. "The legislature itself is conflicted," notes a former state lawmaker. "It expects pros to be delivered all over the state for its constituents, yet [it doesn't] have the money to support much activity."

MOVING OBSTACLES TO EFFECTIVE PUBLIC TRUSTEESHIP

ral major roadblocks impede the ability of boards to meet their responsibilities. Some of these acles are created by state laws, regulations, or official conduct; some by the neglect of campus

executives; and others by boards themselves. To remove these obstacles and enable board members to set aside differences and concentrate on understanding how their institutions fit within the broader statewide agenda requires the support and participation of governors, legislators, presidents, chancellors, and board chairs.

- *Trustees and regents must become better informed—about their institutions or systems, about their roles and responsibilities, and about higher education in general.* Trustee orientation and education programs should be strengthened. Where such programs do not exist or are weak, trustees and regents often lack cohesion, exhibit incivility, and are confused about their basic roles and responsibilities.

The board's relationship with the president or chancellor is key. The scope of irresponsible board behavior ranges from institutional micromanagement to casual acceptance of administrative recommendations. Simply put: Boards should set the ground rules, allow chief executives and other administrators to get the job done, and then hold them accountable. "Boards don't need to manage the institutions," says a senate education committee chair. "They need to hire presidents who can."

- *Many presidents and chancellors are inadequately prepared to work successfully with governing boards.* Some lack experience; others fail to recognize their responsibility to educate and help lead their boards. Similarly, faculty and governing boards often misunderstand their respective essential work and purposes and do not communicate well with one another.

ADDITIONAL FINDINGS

The study also found the following:

- *Many public university boards—whether responsible for a single institution or a multicampus system—are too small to conduct efficiently and effectively the business of today's large and complex modern university.* Many boards should have more members.
- *Open-meeting laws in many states impede the ability of boards to function effectively.* The inability to discuss issues candidly, to recruit presidential candidates effectively, and to hold board retreats to build cohesiveness and set strategic direction diminishes board effectiveness.
- *Boards must not shy from disciplining their members.* If a member violates the board's standards of ethical behavior or rules concerning conflict of interest, the board must bring offenders in line or censure them.
- *The interests of the state and those of public higher education are aligned the majority of the time.* Public institutions fulfill various public purposes well. They graduate students, prepare teach-

ers and health professionals, conduct research, create new technologies, deliver health care, and spur economic growth. But institutional and state interests diverge over some highly visible and substantive concerns. Governing boards and state lawmakers must work together to reconcile these differences.

- *The most effective board members and administrators are keenly aware of fundamental strategic-policy issues and are committed to cooperating with state policy makers.* By working together, boards and state leaders can address strategic issues and formulate plans for the board to achieve consensual institutional or system goals and academic policies.

ONCLUSIONS AND RECOMMENDATIONS

ıe differing expectations and perceptions about citizen trusteeship and governance are rooted ıiefly in poor communication. Most political leaders, for example, report having little or no contact ith the majority of board members in their states. As a consequence, few opportunities exist to ıild strong, trusting relationships, let alone simply to discuss important campus or state issues.

In many states, tensions between state and campus leaders are growing at an alarming rate, ıd ideological differences are making it increasingly difficult for the parties to handle the resulting ınflicts. It also is fair to say that many board members and state officials lack strong lines of communication with key players within the institutions, including academic presidents, chancellors, and culty leaders. The need, in short, is for information, collaboration, and reform.

To address the issues identified in this report, the Association of Governing Boards of Universities and ılleges proposes a collaborative effort among the major national organizations representing state political ıders and higher education institutions and professionals. The effort would initiate discussions at the ıtional level to sharpen mutual understanding of the common problems in a useful and compre-ınsive context; subsequently, however, the discussions should move quickly to the states to encour-ge a reform agenda on the issues of governance and trusteeship this report has identified as well as hers germane to individual states.

The collaborative effort would have three goals:

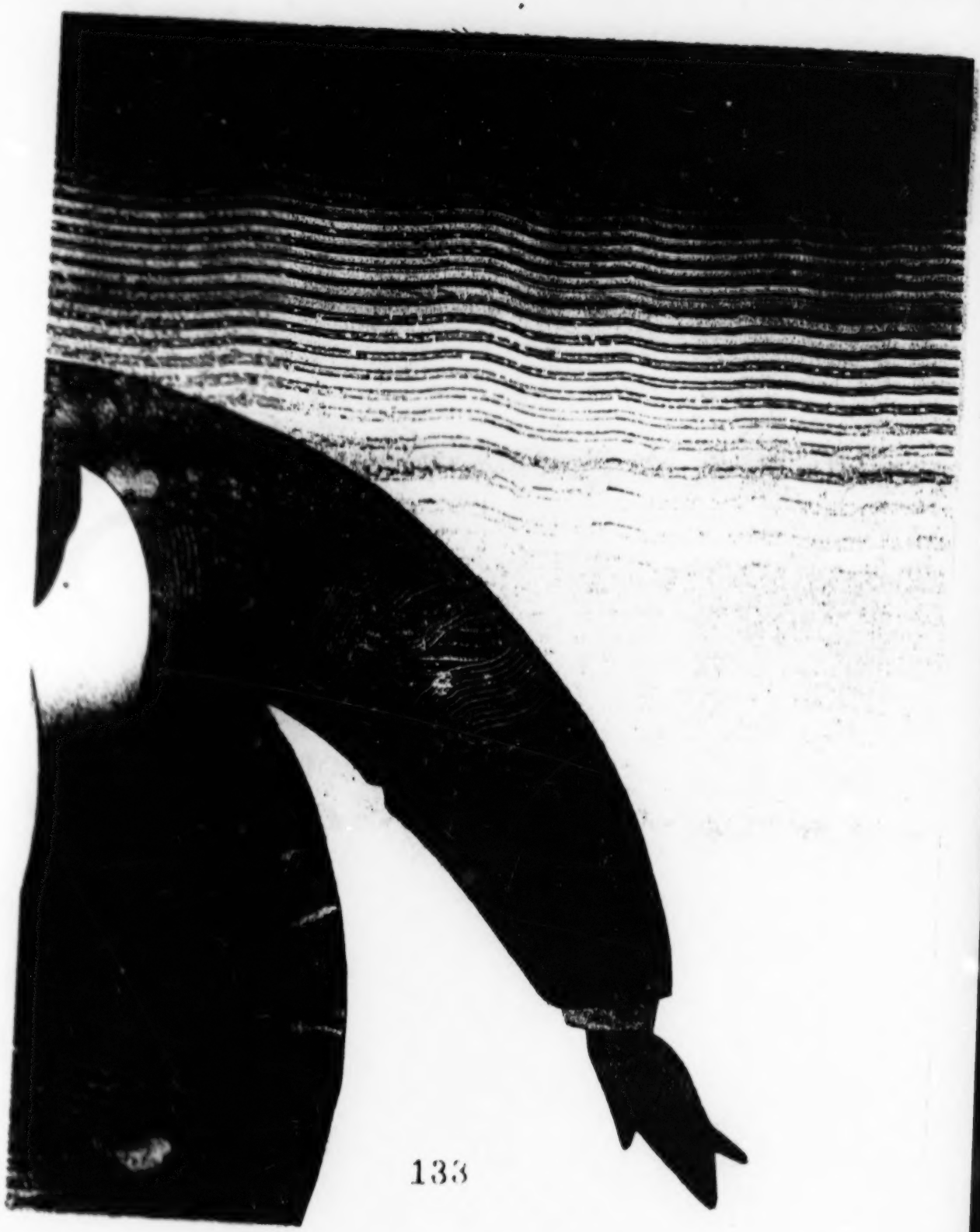
1. Help education leaders and state government officials address issues affecting the governance of public colleges and universities and the societal needs and educational aspirations of their citizens.
2. Strengthen the leadership and performance of public higher education boards and their members.
3. Forge more effective relationships between state-supported academic institutions and state governments.

At the national level, the dialogue can start with a few fundamental questions:

- Does consensus exist on what governing boards and individual trustees realistically can be expected to do and not do?
- What changes in law, policy, and practice might enable public college and university trustees to govern more effectively?
- Can boards effectively serve the public interest by more closely linking higher education institutions and state government while strengthening the relationship between the two?
- As citizen governance currently is conceived, structured, and practiced, can it meet the new expectations certain to confront higher education in the future?

Greater focus on such questions at the state level is essential. If citizen boards remain the preferable means of governance and the best alternative to direct control of public higher education by state government, then states must consider reforms to help these boards fulfill their mandates.

Although our elected officials appear to be unconcerned with many of the issues this report identifies, leaders of national organizations, state governments, and higher education have an obligation to society to preserve and strengthen American higher education by strengthening its trusteeship and relationships with state government. A new effort to bring lawmakers together with trustees and regents, presidents and chancellors, and influential business leaders can spur action in various states to shape and accomplish a reform agenda. The Association of Governing Boards looks forward to working in partnership with the National Governors' Association, the National Conference of State Legislatures, and the Education Commission of the States to bridge the gap between state government and public higher education.



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